

**INSIDE: Prime Minister Turner Visits the Queen**

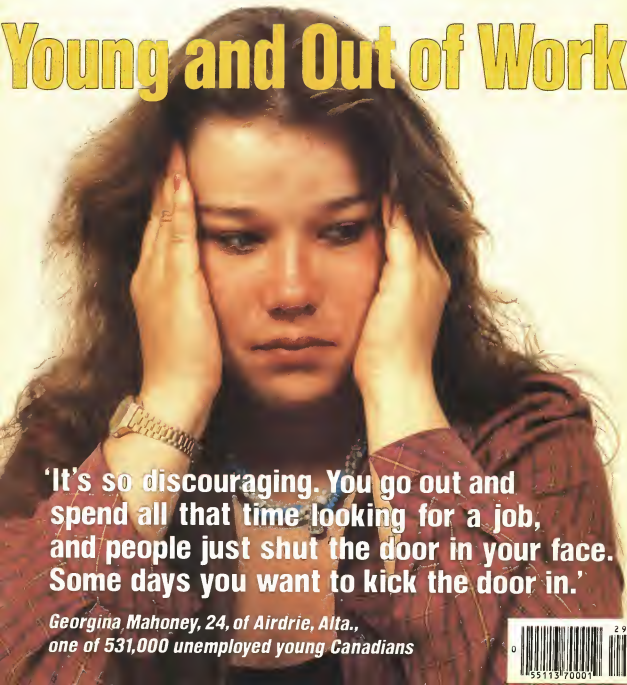
# Maclean's

JULY 16, 1984

CANADA'S WEEKLY NEWSMAGAZINE

\$1.25

## Young and Out of Work



**'It's so discouraging. You go out and spend all that time looking for a job, and people just shut the door in your face. Some days you want to kick the door in.'**

*Georgina Mahoney, 24, of Airdrie, Alta.,  
one of 531,000 unemployed young Canadians*







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CANADA'S WEEKLY NEWSMAGAZINE

**Maclean's**

JULY 16, 1984 VOL. 97 NO. 29

**COVER**

**Young and out of work**

For many young Canadians the summer of 1984 has been a time of anger and frustration. The season, 335,000 of them have been unable to find jobs to give them a head start on the future. Some experts say that the youth unemployment situation is one of the most potentially dangerous social problems since the depression of the 1930s.

—Page 34

Photo: 1984 News in Perspective



**Countdown to an election**

A late-summer general election seemed inevitable as Prime Minister John Turner flew to London for a weekend meeting with Queen Elizabeth II.

—Page 10



**Starting to talk again**

After months of harsh rhetoric, U.S. and Soviet diplomats exchanged cautiously worded notes on covering talks to control "Star Wars" weapons.

—Page 46



**Weighty workouts**

Fitness enthusiasts are buying a wide array of new exercise tools to improve endurance. But some experts worry that they may be trying too hard.

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**The sweet art of excess**

A lavish retrospective of the work of French painter William Bonger, currently on exhibit in Montreal, is one of the most controversial shows in years.

—Page 54







## Unity and diversity

In your review of Jonathan Schell's *The Abolition* (*Unleashing the slaves of our Souls*, June 18) you refer to "united" world government as a "venereal disease." Your version of a unified world government may well be useful, especially if it entails the dissolution of the nation state. What most of the world government movement is advocating, however, is a federal world government that would preserve and respect the identity of nations and the diversity of cultures. In a world federation nations would look after their internal affairs, as they do now. Only in their external affairs would they be governed by a world body democratically structured to represent the interests of the world community.

—METER HONCHIK,  
World Federation of Canada,  
Toronto

## On preaching and preaching

Regarding Fabris and profits on the paper *Red* (Religion, April 16), the statement concerning the sacramental participation of divorced Catholics in their church is inaccurate and misleading. You state, "Many Catholics press us regard divorced Catholics as full members of the church, despite Vatican disapproval and traditional church doctrine, which denies the sacraments to the divorced." An endorsement or repudiation of Catholicism can only become ill-informed by this statement. Separated and/or divorced Catholics are welcomed in their church as full participants in the sacramental life of



**Murphy: a branch-point necessity?**

the church. Only restrictions without church sanction could preclude sacramental participation.

—MARTIN J. PEREGRINSON,  
National communications director,  
Canadian Association of Separated and  
Divorced Catholics,  
Toronto

## A diplomatic debut

Your account of Brian Mulroney (A stroll on the international stage, Canada, July 2) conveniently avoids reference to his remarks at his own conference. His tirade against the Canadian government for its lack of appreciation of our American friends was a dating-babe performance that brought out a branch-point mentality last and clear.

—B.F. WATSON,  
Ottawa, Ont.

## Reporting from 40,000 feet

Your article about live scores by children in inner-city Winnipeg on the Canadian Test of Basic Skills is a fine illustration of "reporting from 40,000 feet" (*Downside* in second last, Education, May 26). There was hardly a word about how these inner-city teachers interpret the data. It is easy for an "expert" to implylessly condemn hundreds of teachers for not teaching as he thinks they should. I do not expect much change until administrators and teachers begin the much more challenging task of listening to teachers and providing them with organized assistance for the changes they think will make a difference.

—THOMAS BLOOM,  
Whitnash Creek, Calif.

## PASSAGES

**RETIRED** Danny Gullivan, 67, the *Hourly Night* in Canada broadcaster known for 32 years as "the voice of the Montreal Canadiens" (Gullivan was famous for his colorful and inventive English, such as "Saradina squaradina" (*don't*), *long*), former Montreal defenseman Serge Savard) and "eminent" (a hard slapshot).

**BORN** to unmarried actress Nadejda Kinski, 33, a boy, at a private hospital in Rome. Kinski, daughter of German film star Romy Kinski, came to fame in Roman Polanski's *Ten*—as much for her admitted affair with the filmmaker, 27 years her senior, as for her portrayal of Thomas Hardy's country wife. Kinski did not immediately announce the identity of the baby's father.

**AWARDED** to Robert Dawson, just custody of his son Stephen, the eight-year-old cerebral palsy victim who was the subject of a highly publicized court battle last year when Dawson and his former wife, Sharon, lost the right to allow him to "do with destiny," by B.C. Supreme Court Justice B.A. Colquhoun, in Vancouver. The severely ill child underwent life-saving brain surgery after he was put into the custody of the province's head of child services on July 26, 1983. He has remained in hospital.

**REINSTATED** Vyacheslav Molotov, 84, prime minister of the Soviet Union under Josef Stalin, to the Communist Party, in Moscow, 21 years after his dismissal by Nikita Khrushchev for his part in an "anti-party" group that attempted to drive the leader from office. As foreign minister during the Second World War, Molotov was known in the West as "Old Stone Bottom" for his perennially door countenance.

**DIED** David Eibel, 35, producer of the *Civ* Nationalism film, of viral encephalitis, in Toronto. Eibel, a seven-year veteran of the network's news department, was returning from France after producing the programming for the 49th anniversary of D-Day when he became ill aboard the airplane.

**DIED** Gen. Raoul Salas, 85, the French officer who was imprisoned and discredited for conspiring to depose President Charles de Gaulle in 1961, in a Paris hospital. Salas served in the military for 44 years before joining the Organisation de l'Armée secrète (OAS) terrorist group that fought to keep Algeria French. The organization's 1962 ambush of De Gaulle's car by gunmen in the Paris suburb of Petit Clamart inspired Frederick Forsyth's best-selling novel *The Day of the Jackal*.

## What the future holds

Charles Gordon writes about the problem of being governed by a brilliant man but he fails to point out that very few nations are blessed with a leader of the stature of Pierre Elliott Trudeau. (*Brilliance can be dangerous*, Column, June 25). It may be true that brilliance is difficult to cope with for the everyday person, but to have someone whose powers of intellect, logic and reason supersede all these second-hand is indeed to be put in a very advantageous position. Trudeau's presence was a formidable one, with no object posing any real threat to him. His stature on the international scene was evoked by many because of his innate qualities of diplomacy and his superior ability to perceive problems in a very analytical manner. While there is no doubt that we have benefited immensely from Trudeau, there is indeed a question about what the future holds for Canada.

—STEVEN GEORGE BLANCHARD,  
Montreal

## Keepers, he was not alone

It is alleged, James Keegstra taught his pupils monstrous lies about race and belittled the history he taught to justify his hatred of Jews, the blame lies not with him alone. (*Hated goes on trial*, Canada, June 24). His principal, fellow teachers, school trustees—all of those should have known what he was teaching during the dozen or so years he was employed at the school. None of those people will be brought to trial but they should be made accountable if Keegstra is found guilty as charged.

—DONALD ROTHWELL,  
Guelph, Ont.

## Opposing the opposition

Regarding the letters in the June 25 issue from B.A. Soderstrom and Ruth Bergen (*Civ* and punishment) about the Juliet Belmas testimony: Soderstrom's assertion that Litan Systems is guilty of "irresponsibility" in making guidance systems for missiles and the implied suggestion that it, not Belmas, should have been on trial is absurd. The people injured by Belmas's actions were employed by a legitimate manufacturing concern fulfilling a legal business contract for the Canadian government. If Soderstrom and Bergen et al. are opposed to the actions of our present government in that regard, they have the right to try to elect another one.

—B. EVELYN WARR,  
Waterloo, Ont.

*Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to: Letter to the Editor, Maclean's magazine, Maclean-McGraw-Hill, 777 King St., Toronto, Ont. M5W 1A5.*

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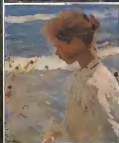
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## SAY SI TO SPAIN.



# Jamaica's perilous course

Edward Seaga won a second five-year term for his ruling Jamaica Labour Party (JLP) in a snap election last Dec. 18. In doing so he also earned an instant reputation for opportunism. By calling the election two years ahead of schedule and by using a three-year-old voters' list which he had promised to update before the election, Seaga disenfranchised about 150,000 young Jamaicans who had turned 18 since the 1980 election. His surprise move to amend Michael Manley, the leader of the opposition People's National Party (PNP), that he and his party boycotted the election. Only 38 per cent of the eligible voters cast their ballots. Now Seaga, 54, is prime minister and finance minister in a parliament with no opposition—and 40 per cent of the country's population of 2.2 million (the supporters of the PNP) has no elected voice. Manley travels throughout the island, holding meetings with his party's supporters who have no voice in parliament. Seaga, hailed as a "financial wizard" when he led his party to a landslide victory over Manley in 1980, has failed to revive

the troubled Jamaican economy.

For Jamaica, whose annual per capita income is \$2,500, the country's worsening economy has produced grave hardship. The unemployment rate is 26 per cent, and since Seaga devalued the Jamaican dollar by 77 per cent last November in a bid to arrest the 70-per-cent inflation rate, gasoline prices have risen to \$2.40 a gallon from \$2.30. The cost of cooking oil and electricity is up 40 per cent, and the cost of a teacher's lunch has doubled to \$5 from about \$2.50. The government ran out of funds for the public transportation system, and in January the public utilities and transport ministry turned it over to private companies in various regions. As a result, the system has been chaotic. Most ominously, the government has said that it will soon announce layoffs in the public sector which will add to the island's unemployment. What is more, last March Seaga announced the end of government subsidies for basic foods such as rice, cornmeal and wheat flour. Similar outbreaks in 1979 led to massive demonstrations and the downfall of

Manley's eight-year-old administration. Said Angus Aky, director of monetary policy at the Bank of Jamaica in Kingston: "The question is, how do you apply enough pressure to turn the economy around without increasing social tensions?"

Seaga, a Borneo-born, Harvard-educated economist, has turned increasingly to Washington for the answer. And the Reagan administration has been a sympathetic friend. Recognizing Jamaica's strategic importance to the Caribbean, Washington increased aid—\$60 million (U.S.)—in the first two years of Seaga's administration. In addition, the 1981 U.S. Caribbean Basin Initiative allows Caribbean states that the U.S. government considers "friendly" to export certain goods to the United States duty-free. That plan has helped open new projects in Jamaica, including Springfields, a jointly owned U.S.-Jamaican farm covering 4,500 acres near Kingston which employs 600 people and produces fruits, vegetables and fish for export. Springfields operators say that the project's fish production is made-included in a particularly promising. Said Eli Teves, Springfields' director: "We are to produce 10,000 tons of fish a year on 600 acres in all of which they produce snappers, 10,000 tons."

Increasing bonds with the United States have also led to an expanded training program for the 1,700-man Jamaican army, which amounted in last October's U.S. invasion of Grenada. Some Jamaicans suggest that the best way to clear the nation's foreign debt of \$2.5 billion (Gdn.) is to invite the United States to relocate its military base from Guantanamo Bay in Cuba. Sited Raymond Dorewell, a government Kingston businessman: "Why should the United States pay rent to the Cubans when it could come to us?"

Six months ago Seaga called an election "to restore democratic and foreign confidence." So far, he has involved neither As Manley meets with his disenfranchised supporters, he accuses the government of being "bogus" and "immoral." Said Manley: "Edwin can have his parliament. I will take the rest of the country."

As the grim statistics mount, most Jamaicans are growing disillusioned with their politicians. Said Leopold Phillips, one unemployed Jamaican: "But or now, it is always the same thing. You speak, talk, you speak politics, but nothing changes. Here the days of slavery there have been the vulgares, the girls and the aristocrats. The vulgares are the poor people who have none. The girls are chasing the dollars but so they can. And the aristocrats, they only live here when it suits them."

—ROBERT DILLON in Kingston

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## COLUMN

# Easing the pain of income tax

By Dian Cohen

In a late June *The Globe and Mail* carried a front-page story that said the federal department of finance was studying the idea of a "flat rate" income tax. It is an idea that members of our country's intelligentsia have judged to be unworkable because they insist it would shift the tax burden from the rich to the poor. Well, according to my government sources there is no such study. The department of finance says simply that it "merely discusses" ideas that are going to everyone. "That means they read the newspapers."

That typically Canadian attitude of not even wanting to explore and discuss an idea—an attitude that we find not only in the corridors of government but in the hallways of schools and in the seminars across the country—is dumb. It is dumb because it keeps us ignorant. In rapidly changing times the ability to adapt is what differentiates the winners from the losers. And the ability to adapt to change depends ultimately on knowing what the options are and how to choose among them. Without such knowledge actions become defensive, often leading to frustration, reaction or chaos.

While there is a widespread perception that our current tax system is not working well, it remains difficult to initiate an intelligent discussion about tax reform. Not only is our current system not bringing in the revenue that governments feel duty-bound to spend—witness the \$20-billion federal budgetary deficit and the \$30-billion combined provincial budgetary deficits—but Canadians taxpayers so widely perceive that the system is unfair that they have taken the particularly un-Canadian step of publicly condemning revenue Canada.

The perception that the tax system is not doing what the government originally designed it to do—collect money from the citizenry for government to do what the citizenry cannot do—is the perception that it is unfair—that it no longer redistributes income to the poor from the rich—is not one that is uniquely Canadian. The United States' Internal Revenue Service has acknowledged that a similar perception among Americans has resulted in the "change provision" of \$109 billion in tax revenues which should have been collected last year but which has apparently been diverted to the underground economy.

U.S. tax officials are fully aware that if they could once again bring that tax revenue into the formal economy, they could eliminate their federal deficit, conservatively estimated at \$100 billion, within two years. It is precisely for that reason that the Congressional Budget Office and the treasury office of tax analysis have been working for years on a variety of alternative tax systems designed to appear more equitable and to bring more revenue into government coffers.

We must understand once and for all that the basic concept of the same flat tax rate for everyone is a sanctifier. The fundamental idea of taxing everyone at one rate, and allowing no deductions, exemptions or special credits, would indeed, as all the critics are so fond of telling us, shift the tax burden to the poor. Joseph Mancini of the Congressional Budget Office estimates that such a system would increase taxes for

**'No politicians — not even Canadian ones — are dumb enough to propose one, flat tax rate for everyone'**

incomes of less than \$30,000 and decrease taxes for incomes of more than \$30,000.

Let us not assume that any politician — even a Canadian politician — is dumb enough to propose that. But let us also not throw out the flat tax idea while we continue to pretend that what we have now is progressive and, in fact, shifts the tax burden to the rich from the poor. Who do we really think owns the newspapers tax loopholes such as the new, improved \$16,500-a-year registered retirement savings plan deduction, the ad-and-gift-development deduction and the film-development deduction? Let us not be naive.

The Congressional Budget Office has designed several dozen modified flat tax proposals that could collect as much or more revenue at lower tax rates than the current system while at the same time actually bring more equitable. One of the options, the Bradford-Gifford plan that actually made it to Congress, suggests a 14-per-cent tax bracket with personal exemptions for low-income earners.

That would be similar to the current tax distribution up to about a \$10,000-a-year income level. In other words, 75 per cent of American taxpayers would have a flat tax rate of 14 per cent, and none of them would pay more taxes than they do now. Above that level there would be perhaps three additional tax brackets, with a top tax rate of 30 per cent. That proposal would bring in sufficient revenue to eliminate the U.S. budgetary deficit within three years.

For its part, the U.S. treasury office of tax analysis is putting the finishing touches on a value-added tax. A VAT, as it exists throughout the European Community, is an indirect tax, similar to a sales tax, that governments levy on the contribution that each link in the production/distribution process adds to a product. Everyone is that person, from the original manufacturer to the retailer or through to the consumer, must pay a VAT.

The entire burden of the tax shifts to the consumer, who pays the tax as part of the price of the product. The VAT is regressive because a poor person pays the same tax as a wealthy one. But it raises a lot of revenue. Canada, the United States, Australia and Japan are the only major countries in the non-Commonwealth world without a value-added tax. The United States is studying other options as well. One is expenditure taxes to offset income taxes. Instead of taxing money that people earn, governments would tax it as people spend it.

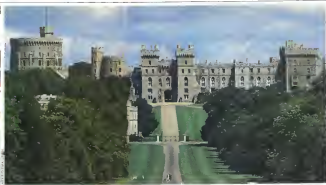
Americans are anxious to reform their tax system for many reasons, the first among them being the federal government's need for more revenue. The Reagan administration is committed to indexing the income tax system to inflation in 1985. That will reduce revenue even if the inflation rate is low. Besides and the progressive tax system have had, and will continue to have, a devastating effect on investment income. What is more, the deficit is not going to go away until tax reform brings the underpaid economy, and the revenue diverted to it, back into the system.

Americans understand the need for public discussion. They have investigated the options and are waiting until after this fall's election to choose among them. Here at home, it would be a shame if the seductress of simplicity, efficiency and fairness failed to sway the tax system because they did not try.

Dian Cohen is a Montreal-based economist.







## CANADA

# Countdown to an election

By Susan Riley

A late-summer election showdown between Prime Minister John Turner and Conservative leader Brian Mulroney seemed inevitable. All signs last week indicated that Turner, who was the Liberal party leadership on June 16, had decided to move immediately to seek a mandate of his own. By that end, Turner flew to London on Friday morning to meet Queen Elizabeth II and discuss postponing her long-scheduled 10-day visit to Canada later this month. As the Prime Minister departed on a government Challenger jet, he had already received a bouquet of political reports: the latest Gallup poll, taken just after he won the leadership, showed that the Liberals had an 11-percentage-point lead over the Conservatives, enough to win a new parliamentary majority. The implications of his brief trip to London were that Canadians would likely be voting no later than early September. Declared one cabinet minister: "Unless something drastic happens between now and next week, I would bet the mortgage is all by Sept. 4."

Pressure to call an election has been mounting steadily since Turner took

over from Pierre Trudeau. When the new cabinet was sworn in on June 30, Indian Affairs Minister Douglas Frith estimated that 75 per cent of his colleagues wanted a summer election. The latest Gallup results, showing that the Liberals have the support of 60 per cent of committed voters, compared to 38 for the Conservatives and a 23-year low of 11 per cent for the New Democrats, reinforced their conviction. The Liberals cited Turner's "take-charge performance" during his first week in office as a benchmark, and they contended that the public had grown increasingly disenchanted with Mulroney. Indeed, it appeared that Turner had more margin than his advisors about the wisdom of an early election. But by week's end, as a key Liberal committee met in Ottawa to plan a 30-day-long national campaign, most of Turner's doubts had been dispelled. Declared one Quebecer: "If he waits until fall and we lose, he will be severely blamed. There is terrible pressure on him to go early."

For their part, the Conservatives, who watched with concern as their once seemingly unassailable lead in popularity eroded, insisted that they were ready to fight and to win. Said Mul-

roney: "We'll catch up." But the Liberals traditionally do well in summer elections and Turner's strategists contended that a summer vote would minimize the danger of a severe economic downturn influencing the voters.

Turner has yet to settle into the spacious East Block office recently vacated by Pierre Trudeau, and last week he was running the country from a hotel room—a 440-per-night, fourth-floor suite in Ottawa's venerable Château Laurier. With telephone messages stuck in picture frames and his daily itinerary clipped to a lampshade, Turner worked at a standard hotel table, clearing off stale papers occasionally for breakfast meals. When he left the hotel to stroll to meetings on nearby Parliament Hill, he appeared very much like a campaigning politician, greeting passersby and a hailing band. But through much of the week Turner continued to deny that he was going to London or that an election was imminent. One day before his departure for England, Turner told reporters, "I can fly wherever you want on the weekend, but my plane are Canadian."

Accompanying him to England were his wife, Gail, and a small entourage

The Turners leaving Ottawa; Windsor Castle prepares for a full-summer work

made up of secretary Rusty Anderson; Gordon Oakeshott, clerk of the Privy Council; Robert Fowler, assistant secretary in the cabinet on foreign and defence policy; and Turner's principal adviser, Vancouver lawyer John Swift. An advance party that included press aide Dennis Baxter and appointments secretary Paul Rodier flew to London a day earlier. Until the last moment, Turner added mail that he had talked to the Queen shortly after he was sworn in as Prime Minister. But that conversation was brief and innocuous, little more than an exchange of greetings, he notes insisted, adding that they did not discuss the election or the royal tour.

But both subjects dominated the weekend discussions after the Queen cut short a holiday at Balmoral Castle in Scotland to meet Turner and his family on June 29. Turner Saturday at Windsor Castle, just west of London. Earlier, the Prime Minister had informal talks with his British counterpart, Margaret Thatcher, at Changers, her country residence. A spokesman at the Canadian delegation headquarters at Changers' hotel in London said that Turner's two meetings

were "the full extent of his schedule. There is not time to see anyone else." Then the Turner party returned to Ottawa to prepare for a full cabinet meeting Monday, a news conference—and a possible election call.

The Tories have been pressing for an election for more than a year, since Mulroney's own leadership triumph. But their fortunes have been sagging ever since last September, when a Gallup poll gave them a 60-per-cent rating, compared to 38 per cent for the Trudeau Liberals. The Conservatives have already lost 12 of 20 federal ridings, and last week party officials in Ottawa sent their house-lead policy booklet for use in the coming campaign.

The Conservatives continue to insist that they have more money and a better organization than the Liberals, but the new Gallup showed that the Liberals have the support of two-thirds of decided voters in Quebec, half in Ontario and one-third in the West. Mulroney won the Tory leadership at least partly because he pledged to loosen the Liberals' hold on Quebec voters. Last weekend at least some Conservatives speculated

that the chance may have been lost. But Mulroney, emerging from a western policy session (page 14), said that the Liberal surge in the Gallup was a result of the publicity among their leadership conventions. Declared Mulroney: "Being as to your bet, I'd be going to see a campaign like you haven't seen in 25 years."

For months, Mulroney's Tories have attacked the government for mishandling the economy. Indeed, Turner's willingness last week to consider a summer election followed an opposing economic briefing earlier by Finance Minister Marc Lalonde. The outlook, Lalonde told him, is primarily bad. He told Turner that the economy was slowing down and that the falling dollar would soon be worth less than 75 cents (U.S.). The only bright note Lalonde predicted that the economy would continue to expand and reach a 4.6-per-cent rate of growth this year. But Turner, who devoted last Wednesday's cabinet meeting to economic affairs, told reporters what Trudeau had been telling him for years: that Canada's dollar and interest rates were subject to decisions made in Washington. Placatingly, Turner said, "we more accurately a reflection of American economic conditions."

Turner asked small groups of civil servants to form task forces, headed by ministers, to study interest rates, the dollar and unemployment, and report back to the powerful government and planning committee of the cabinet this week with specific proposals. The senior bureaucrats noted, "We have been given one week to find jobs for 300,000 people without spending an extra cent of government money." Among ideas under consideration: the establishment of a national apprenticeship program to pay young people while they train for jobs in Canada as well as abroad. But, because of the likelihood of a summer election, any new economic ideas were likely to become planks in the Liberal platform rather than government policy.

Even though Turner was in London, the Liberals' influential platform committee—the 60 men, cabinet ministers and key party members who meet to discuss long-term policy—held an election planning session on Friday and Saturday in Ottawa. Declared Ontario MP Maurice Fortin of Algoma: "The first thing is to clearly decide what kind of an argument can be worked out with Mr. Mulroney." The Queen's schedule called for her to visit New Brunswick, Ontario and Manitoba from July 14 to July 27, but Buckingham Palace said July 27 is a clearly decided visit. Canadian month that she would not visit. Canada during an election campaign. Even before Turner flew to London, his aides and palace officials had tried—and ap-

Mulroney, a new recruit









# Mulroney pitches his policies to the West

**A**s the undecided federal election campaign intensified last week, a 400-member delegation of Prime Albert Mulroney, crowded into Bill Hall's No. 58 Wednesday night to hear Conservative Leader Brian Mulroney enunciate the Liberals. Mulroney was preaching to the converted, because Prime Albert remains John Diefenbaker country, although New Democratic MP Stan Hewko currently represents the area in Parliament. Still, Mulroney put on a jawbreaker performance. He delighted his listeners with a stirring tribute to the memory of the former prime minister who represented the area for 39 years. Said Mulroney, "I am going to strive mightily to give this country the kind of leadership that John Diefenbaker gave his party."

The meeting, in the white metal building on 17th Street West, was an election rally in everything but name—the Conservatives called it a regional policy meeting. But with 50 Conservative MPs and 50 Tory candidates clapping along with the crowd, it looked only a formal election call and campaign posters to serve as a prototype for the hundreds of political rallies expected to dominate most of the summer across Canada. Mulroney and his party remain eager to take on Prime Minister John Turner's Liberals, even though the most recent Gallup poll showed the Conservatives trailing the newly revitalized Liberals by 11 percentage points—58 per cent to 48 per cent—in popularity.

The Tories' openness and impatience for an election were evident in Prince Albert, where Mulroney struggled to keep the attention of his 75-member support team. Instead of energy, agriculture and forestry—the issues supposed to have dominated the Tuesday session. But when the policy discussion ended, the Tories spoke of little else but the issues determining the election: the attempt to win a British Columbia riding and service Liberal Senators in the West. Declared Alberta Premier Peter Lougheed, after meeting with Mulroney, "There isn't a devil in my mind that the people here are so fired up and geared up that they don't want an election in the fall. They want to get it right now."

Mulroney, who has been criticized for failing to outline specific policy positions since his selection as Tory leader 13 months ago, was anxious to use the Prime Albert occasion to publicize his ideas before Turner unveils the Liberal version of the future. To that end, Mulroney announced a series of policy changes—of particular interest to Western Canada—he would make if he

forms the next government. His most radical proposal: an overhaul of the National Energy Program (NEP). Among its features was a promise to strip the government's controversial Petroleum Incentive Program (granting now paid to oil companies on a sliding scale, based on the location of their drill sites and their degree of Canadian ownership). Instead, the Tories would offer tax in-



Mulroney pre-empting Turner while visiting

centives designed to make it more attractive financially for Canadian companies to find and exploit new energy sources. Mulroney also pledged that a Conservative government would sever appropriate foreign energy firms, but would instead introduce a new "Canadian share" program encouraging Canadian investors to win a British Columbia riding and service Liberal Senators in the West. Declared Alberta Premier Peter Lougheed, after meeting with Mulroney, "There isn't a devil in my mind that the people here are so fired up and geared up that they don't want an election in the fall. They want to get it right now."

To win the support of western farmers, Mulroney pledged to slash oil and capital gains taxes on farm sales, as long as the property remained in agricultural use, and to remove the nine per cent federal sales tax on farm fuel. He also promised to

appoint a minister of forestry and to put in place a five-year forest regeneration program. Those initiatives, along with a series of smaller changes, will form the basis of Mulroney's campaign stance in Western Canada, once the election will be raised.

But last week's package of pledges, like previous statements by Mulroney, were notably short of accompanying promises, a fact that the Liberals are certain to seize on. Although Mulroney has pledged to "open the books" in Ottawa as soon as he becomes Prime Minister, he refused to provide any estimate of what his western policy package would cost. Instead, he said only that his advisers had "worked out" the program and that it would be implemented "within a reasonable time frame."

From the reception he received, it was clear that Mulroney was as friendly territory but not work. The Tories held 38 seats in Western Canada, compared to two for the Liberals and 26 for the New Democrats. Still, many Tories were worried about a Liberal revival in Western Canada in the riding of Saskatchewan. But, for one, Don Ross, 46, is taking the Liberal threat so seriously that he quit his real estate development and consulting job in December to work full-time on his campaign. Ross, who will oppose Liberal MP lawyer Douglas Richardson, declared, "I will continue to work as if the writ has been dropped."

Lougheed fired-up Tories



The Prince Albert meeting was the first of several regional policy meetings that the Tories have organized, but Charles MacMillan, Mulroney's chief policy adviser, predicted that the series would have to be interrupted. Clearly, he said, the Tories' members were convinced that within days the Tories would be fighting an election under the auspices of the C.M.A. Group in Prince Albert.



Klein in last week's Stampede parade sleeping a comb-over and seeking diversification after an abrupt end to his boom

## Riding out of the slump

By Gordon Legge

**C**algarians last week celebrated their city's 100th anniversary with the ritual Wild West celebration of the Stampede and a noted sign of relief that a protracted economic slump appeared to be ending. From the grandstands overlooking the renewed chuck-wagon race track to the 1,200-seat Silver Slipper beer hall, the celebrants were clearly in a positive frame of mind. The 12th instalment of the Stampede helped to establish the mood, but so did guarded optimism about a return to prosperity. Said Bruce McDonald, director of the Calgary Economic Development Authority: "Our hearts are better than booms anywhere else in the country."

Calgary's economic ups and downs during the past decade have rivalled the wildest ride on the Stampede midway, but for most of its history the trend has been upward. The city experienced booms based successively on cattle, real estate and oil since it was founded as a frontier outpost of the North West Mounted Police. Barely a generation ago Calgary was a modestly prosperous Prairie city known for the Stampede and for being Canada's oil capital. Then, in the wake of the 1955 Arab oil embargo and the subsequent energy crisis, the city began a period of explosive growth as Canada endeavored to find and devel-

op new sources of oil and natural gas. By 1981 about 2,000 people a month were arriving in Calgary. New office towers sprouted. And in 1981 alone, more than \$2.5 billion in construction permits were issued.

Then, with brutal abruptness, the growth stopped. The worldwide recession combined with high interest rates and the impact of Ottawa's 1986 National Energy Program to send the city into a sharp economic decline. As activity slowed, unemployment soared, and the population began to shrink. In the past 10 years Calgary's population has declined by some 3,500, to its current level of 225,000. Said Robert Lavoie, an unemployed pipe fitter who was taking home \$2,000 a month at the height of the boom: "A person never figured it was going to go down that bad."

Today, construction cranes that stretched above the city only a few years ago have disappeared. Tires, gold and alloy after alloy tumblers in the summer sun alongside abandoned construction sites while the city is slowly beginning to regain its former glory. And 22 per cent of the city's working office space—a total of 5.5 million square feet—is vacant. Despite those signs of slump, Calgary is slowly beginning to regain a comb-over. "Calgary has come down from its period of euphoria, modest and overconfidence," said Frank King, chairman of the organizing committee for the 1988 Winter

Olympics, which the city will host. "Now it's living a normal life."

The city's municipal government, led by Mayor Ralph Klein, is working to diversify the local economy and make it less dependent on the fickle fortunes of the oil business. Calgary is planning a campaign to attract companies in the food and communications industries to a city that, according to *Canadian Business* magazine, already houses the head offices of 30 of Canada's top 500 firms and 19 of the country's fastest-growing companies. Unemployment in Calgary still was running at the unacceptably high level of 13.5 per cent in June, but that was down from 15.5 per cent in May. At the same time, retailers reported that Calgarians were stepping up their purchases of clothing, cars and restaurant meals. And oil industry activity, the single largest factor in Calgary's economic life, was increasing, with a total of 208 drill-logs in work across the province in March, 180 more than in the same month last year.

Last week the Stampede speeded with spectacular fanfare as it always has—in good times and bad. During the boom, some Calgarians contended that the city was becoming too conspicuous for its residents to continue dressing up in Wild West costumes once a year. But they received little support for their views. "This is something to be proud of," said Stampede general manager Donald Jacques. "No matter what has happened during the past year, the Stampede means good times." ☐





Grainshops in Manitoba after multiple blows, some farmers are walking away

## Hard times in the wheat belt

By John Hay

**P**refire farmers have reaped a bumper crop of troubles in recent years, and 61-year-old John Jago has suffered virtually all of them in his struggle to keep his farm near Renou, Man. After a combination of low grain prices and high interest rates left Jago \$356,000 in debt last year, the Virgin Credit Union foreclosed and sold half his 1,200-acre property. Because he could not find a lender who would finance his spring planting, Jago had to go to work for other farmers to earn money for fuel, seed and fertilizer. Then, last week a new setback struck Jago and other farmers across the West: owners of grainshops attacked fields where some farmers could not afford to store, causing millions of dollars in crop damage. Now, as an increasing number of western farmers are surrendering to bankruptcy, while others are demanding urgent government help, Jago is simply quitting. Said Jago, who is gravely ill: "Farmers are walking into banks, handing over their keys and saying, 'You farm it.'"

Across the Prairies farmers have endured one misfortune after another. For the past three years not far from famine have blighted grain prices have slumped flat or declined while farm operating

costs increased. At the same time, many farmers who took out bank loans in the boom years of 1973 to 1980 to expand or improve their operations were caught in a squeeze when interest rates began to climb. The number of bankruptcies has soared. In Manitoba there was only one farm bankruptcy in 1979, in 1983 there were 52. And industry experts held out little hope for an improvement this summer, because 105 million bushels of un sold grain stocks in the world market are still depressing prices.

Some farmers are anguishing to draw attention to their misfortune. In April a group of Alberta farmers forced a chapter of the Ontario-based Canadian Farmers' Survival Association and in June they began a round-the-clock occupation of the Camrose office of the Alberta Agriculture Development Corp. They are demanding a moratorium on foreclosures, not just for farmers, but for small businesses and homeowners. Said organizer

James Priesen, a 33-year-old hog farmer and father of seven: "I just got read when they tried to take away my farm." Priesen was informed when the ABC moved its business on his property that Cavalier for a \$200,000 loan. Said Priesen: "My equity had fallen so much that my place was worth less than the loan." The ABC has agreed to review his case.

Priesen's difficulties are widely shared. Federal government figures show that there were 35 Alberta farm bankruptcies between January and May this year, up from 19 in the same five months last year. But bankruptcies tell only part of the story. Don Doug Lefevre, the first vice president of the Alberta Wheat Pool: "There are no statistics, but probably for every bankruptcy in Alberta there's another farmer who throws his key on his bank doorstep and walks away." Income for Alberta's 57,000 farmers has declined to \$406 million in 1983 from \$764 million in 1981.

In Saskatchewan the outlook is just as grim. Farm bankruptcies in the first five months of 1984 stood at 53, compared to 38 in the same period last year. Net farm income fell to \$576 million last year from \$1.2 billion in 1981, with a further collapse expected this year. Peter Wunder, a grain farmer near Peace Lake, Sask., for one, has decided to give up. "It just doesn't make sense any more," he said. "I had to borrow \$300,000 just to have the money to put my crop in this year and last year I had a net income of \$300,000 off a gross of \$900,000." For his part, Gus Stevenson, vice-president of the 30,000-member Saskatchewan Wheat Pool, is convinced that only higher grain prices can revive the industry. "Unless prices recover," he said, "nothing will really help." Wunder added that in 1975 he had been told he could make \$125,000 and sell wheat for 95¢ a bushel. The tractor now would cost \$57,000, but wheat is worth only \$4 a bushel.

In Manitoba, where the hard-pressed Jago is president of the provincial wing of the Canadian Farmers' Survival Association, low grain prices and high interest rates have forced farmers to turn to the province's recently formed \$288 million loan fund last year from \$254 million in 1981, but government experts say the fund is far from a lifeline this year. An estimated 25 per cent of the borrowers at the Farm Credit Corp. in Manitoba are behind on their payments, and there were 20 bankruptcies in the first five months of the year, com-



Stevenson facing a quality

pared to 24 in the same period last year. Among those leaning against the wall is Donald Cavender of Killarney, Man., who rented out his property and sold his equipment this spring after 13 years on the land. Said Cavender: "We love farming but we were just worrying too much. We saw too many people, after years of hard work, lose everything."

Western farm profits depend largely on international grain prices. And if those prices are determined by supply, demand, unpredictable intervention by governments and the weather. Last year prices for such grains as barley, corn, (oats) and flax were low as a result of drought in the United States and the U.S. government crop-reduction program. This year U.S. production is expected to increase and, with normal yields, prices inevitably will decline. Agriculture department experts in Ottawa's export international wheat prices to remain at their current low levels this year because world stocks are high. Prairie farmers responded to those forecasts this spring by cutting their wheat acreage and expanding acreage for oats, barley and corn.

Governments are providing some assistance to the farmers. In Saskatchewan, Premier Grant Devine's Conservative government in May introduced a \$4-million emergency fund that will be used to guarantee loans of as much as \$100,000 for farmers with financially sound operations who need to borrow short-term operating capital. In Manitoba, Howard Pawley's New government has set up a variety of programs to provide grain and interest-free loans, a \$12.5-million loan guarantee fund and a \$30-million program to provide lines of credit at fixed rates for farmers who cannot borrow through their credit co-ops. In Alberta, Premier Peter Lougheed's Conservative administration has provided reduced fuel prices and interest rate relief, but it refuses to respond to the demands of the Canadian producers for relief from foreclosures. "We do not believe a moratorium on foreclosures is the right approach to solving farmers' problems," said Kenneth Mahooding, an assistant to Agriculture Minister LeRoy Fendelstein. "If you do that, credit will really dry up."

In addition to available provincial assistance, Prairie farmers can look forward to payments from the Western Grain Stabilization Fund approved by Parliament last year that will average at \$2,500 to \$5,000 for each farmer. For some, the money might come just in time to help save their farms. But for other, less fortunate farmers this summer may well be their last on the land.

With Nancy Johnson Smith in Calgary, Dale Rider in Alberta and Andrew McIlroy in Winnipeg

## Topping off a costly project

**E**ver since it was built for the 1976 Summer Games, Montreal's \$700-million Olympic stadium has been without a roof—annoying Montrealers like Lucien Savaria, former head of the province's Olympic Institutions Board (OIB), and others who were concerned that the unfinished building would be seen as a "monument to the incompetence of Quebec." Originally, French architect Roger Taillibert's design called for the stadium, now home to the Montreal Expos baseball team and the Montreal Concordia football club, to have a retractable roof. But the Olympic re-

Originally, construction delays at the Olympic site prevented the roof from being built in time for the Games. But those delays were only the beginning of the stadium's problems. In 1981 an engineering report prepared for the OIB suggested that Taillibert's proposed retractable roof might not work because of design errors. It added that part of the structure intended to support the roof was already under a degree of stress that exceeded international safety standards. As a result, Quebec City decided to scrap the plan for a retractable roof in favor of a permanent covering. Then, in 1982 recession forced Lévesque to im-



Montreal's unveiled stadium, part of the Olympic \$600-million cost overrun

pose a two-year moratorium on any decisions about roofing the stadium.

Even after Chevreton's assessment that the stadium will finally have a dome, Quebecers disagreed about whether it is a now really necessary. Officials of the OIB, which has run the Olympic complex with deficits averaging \$5 million a year since 1974, and that the covered stadium will attract enough winter events and maintain in the stadium tower to increase revenues by about \$2.6 million a year. But Montreal City Councillor Nick Adit de Maiz, for one, said last week that, at best, the covered stadium will attract indoor sports events. In the meantime, Montrealers found little comfort in the fact that the stadium's latest cost—even without the dome in place—already exceeds the combined price tags for Vancouver's B.C. Place, New Orleans' Superdome and seven other new or revised North American stadiums.

DAVID JOHNSTON in Montreal



# Talking down 'Star Wars'



Dobrynin dialog with Reagan, testing intentions for serious negotiations

By Michael Posner

**T**he Soviet ambassador to the United States, Anatoly Dobrynin, flew to Moscow last week for what were officially described as routine consultations. By leaving, he escaped the oppressive heat of Washington's summer—and possibly made an important advance in East-West relations. The Soviet diplomat carried a message to the Kremlin from U.S. Secretary of State George Shultz, offering the Reagan administration's acceptance, without preconditions, of Moscow's earlier invitation to hold talks in Vienna this fall on the development of space. Said Dobrynin, arriving at Moscow's Sheremetyevo Airport, "I am hoping for the best, but I am not a magician."

Washington and its Western allies are unsure whether or not the Soviet offer is a genuine anti-missile weapon treaty in nature. For one thing, arms control is almost any kind of word whenever President Ronald Reagan's stance for re-election in November, and chances of the Kremlin believe that Moscow does not want to give Reagan any political advantage. Many analysts believe Moscow's June 20 offer was simply another step in the continuing propaganda war between the two superpowers and that the Politburo expected

the White House to discuss the suggestion not at all. Believing that view, British Foreign Secretary the Geoffrey Howe suggested at the end of his three-day visit to Moscow last week that the "Soviet government does give the impression that it is more interested in pilorying certain Western governments than in testing their reactions in serious negotiations."

But other analysts, including Paul Warden, an ardent central intelligence in the Jimmy Carter administration, said that they regarded the Soviet proposal as genuine. It reflects, Warden said last week, Moscow's concern about U.S. technological progress and the Kremlin's desire to prevent the United States from gaining superiority in the extraterrestrial field of space-based weapons.

The Reagan administration itself was divided on the appropriate response. Inside the White House, the president's political advisers one-sided that the offer provided an opportunity to

portray Reagan as a pro-missile. A new set of talks in Europe would go hand in hand with an already well-advanced rhetorical retreat from the president's characterization last year of the Soviet Union as an "evil empire."

But U.S. officials seized on the Moscow offer as a chance to negotiate even wider arms-control discussions. If the Soviets are indeed worried about U.S. progress in developing antilevel systems, the state department argued, then Washington might be able to use that as leverage to restart the stalled talks on strategic and intermediate nuclear weapons. Moscow has already both sides of negotiations

since late last year, when the North Atlantic Treaty Organization began its long-planned deployment of cruise and Pershing missiles in Europe.

Initially, the state department's view seemed to prevail. Indeed, the administration's first reply to Moscow—on the same day the Soviet offer was made—was to suggest that the other arms control talks be added to the agenda. But Kremlin officials immediately declared that to be an unacceptable precondition.

The official Soviet news agency, Tass, demanded the response, and Foreign Minister Andrei Gromyko, at a luncheon for Howe, accused Washington of insisting on impossible conditions in order to avoid talks. The administration quickly denied any such intention. Said state department spokesman John Hughes, "We have indicated our willingness to discuss any subject that the Soviets put forward."

We have also expressed our intention to put forward subjects of our own, including offensive weapons that go through space." The explanation

may have appeased the Soviets for by week's end in a brief message carried by Tass, Moscow again renewed its invitation to discuss space weapons.

Those weapons might include missile systems previously discussed at Geneva during negotiations on strategic and intermediate-range arms. But Gromyko, regarded as the chief designer of Soviet foreign policy, has insisted that the earlier talks could not resume until the U.S. withdraws the cruise and Pershing II missiles deployed in West Germany, England and Italy. Shultz's message to Moscow, removing any preconditions to talks on space weaponry, came after an extraordinary session of the Soviet Politburo, which included Shultz's annual response for foreign ambassadors on the south lawn of the White House. At the June 30 luncheon, Dobrynin held an animated conversation with both Reagan and Shultz during dinner. Then on June 3 Shultz and Dobrynin met again for a 90-minute breakfast at the state department. It was during the breakfast meeting that the Americans formally tendered their acceptance of the Soviet proposal.

It remained unclear whether the Vienna talks—if they actually take place—would simply serve as a preliminary planning session or would actually constitute the beginning of formal negotiations on developing space. In fact, the Reagan administration has not yet developed a clearly defined bargaining position on the subject. An interagency task force is now sifting its Soviet foreign strategy. Against, but there are several opposing hurdles. One is that most Pentagon experts consider an antilevel weapons treaty unverifiable and they contend that Washington would be ill-advised to extend itself to talks on a subject well-laden to limitations that could never be confirmed. For its part, the defense department wants Reagan to reserve—as a minimum—the right to confirm using antilevel weapons which would be required. Indeed, one test is scheduled for this fall. But the Kremlin has called for a moratorium on all testing and deployment during the talks, as well as a formal ban on weapons that threaten activities at any level it space. A second obstacle is the concern of many military planners that any antilevel pact might jeopardize Reagan's "Star Wars" ballistic missile defense program.

Despite the uncertainties, Reagan and his political advisers have already decided that there is little to be lost by agreeing to talk. If the Soviets send Dobrynin back to Washington with another firm pact, Reagan will have scored a propaganda point. At least, he has put the ball squarely in Moscow's court.

With Avia Clarke in Moscow



Street vendors in Beirut, seeking new guarantees to end a decade of civil strife

LEBANON

## Erasing the Green Line

**O**n the surface it appeared to be a routine military operation in the bullet-riddled streets of Beirut. But last week, as 3,000 troops of the Lebanese Army began sweeping across the city, residents of all religions and political persuasions shared a common security plan: to rally in the capital by Lebanon's warring groups, government troops began taking control of strategic positions marked for the past five months by private militias. Then in the next, highly symbolic stage of the plan, army bulldozers began breaking down barricades along the so-called Green Line, which separates Christian East Beirut from the Muslim western sector. With the dismantling of the Green Line, both Muslims and Christians residents of the city were free to cross back and forth unimpeded for the first time since the 1975-76 civil war.

The security plan brought an unfamiliar calm to a capital that has been wracked by sporadic fighting since last February, when talks on the redistribution of constitutional powers between Christians and Muslims broke down. Since then a new government of "national unity," led by Prime Minister Rashid Karuni and backed by Syria, has worked to achieve a ceasefire acceptable to both Christians and Muslims. But diplomats in the city said that the ceasefire agreement constituted no guarantee of a permanent end to what has been almost a decade of civil strife. Said one Western military analyst: "The security

plan is only cosmetic. The government still has to tackle a sea of political issues." And despite the initial euphoria, many civilians shared that view. "We hope it will work," said one. "But we can't believe in plans anymore."

The latest move during Karuni's movement is to convince right-wing Christian leaders to surrender to the nation's Muslim majority since control over the government structure. But the Christians, who now wield the most power under the present constitution, refuse to accept a diminution of their authority. As will, the government has still not managed to extend its authority beyond Beirut. As a result, fighting in the northern city of Tripoli continued last week. In three days of rocket and artillery exchanges between rival Muslim sects, 20 people died.

Still, during the Green Line provided the Karuni government with some credibility as it continued its attempt to consolidate control over the nation. But the process may prove painfully slow. At week's end, work on clearing the Green Line fell behind schedule as workers removed war-torn members of unopposed shells from the complex fortifications. And elsewhere, the government failed to reopen Beirut International Airport on time because of concern about security in the area. Those disappointments prompted analysts to predict that the road to reconstruction in Lebanon will still prove long and difficult.

—BORIS WAGNER in Beirut

Moscow imposing hurdles





## Democrats primp for TV

The four-day Democratic National Convention begins next week in San Francisco, complete with 3,944 delegates from 36 states, roughly 10,000 guests and an estimated 14,000 members of the news media. From the podiums of the convention George H. W. Bush Center a parade of senior Democratic officials will deliver a series of blue-collar union members, teachers, women, blacks, Jews, Hispanics and gay rights activists—the constituencies that now comprise the bulk of the Democratic party. But the real message of the party's presidential and vice-presidential pickings is that the party has lost its core networks. Although none of the three commercial networks will provide paid-to-go coverage, the daily blocks of scheduled prime-time coverage still represent the Democrats' best opportunity to sell themselves to the vast U.S.

Party officials have taken pains to ensure that the convention is seen as a pungent of efficiency and accord. The rules committee has agreed to study changes that would yield more delegates to minority candidates, as Rev Jesse Jackson has demanded. The platform committee, largely controlled by the forces of Walter Mondale, who is virtually certain to be the nominee, has made economic and industrial policy concessions designed to appease the forces of Senator Gary Hart, whose quest for the nomination now seems doomed.

Still, *clear differences* among the various factions remained unmasked. Moonbille and Jackson met for hours in Kansas City last week, and afterwards appeared that they had disagreed over the need to expedite one of the most prominent supporters, Rev. Louis Farrakhan. An American Islamic fundamentalist leader, Farrakhan's incendiary remarks about Israel drew widespread condemnation last month. The Madsen organization is concerned that Jackson's association with Farrakhan may push many Jewish voters into the Republican camp. Jackson's support of the Madsen cause, however, has earned him an enthusiastic endorsement as well as his vigorous support on the hustings in order to win the votes of millions of newly registered blacks.

Mondale's principal challenge last week was his continuing search for running mate. Numerous potential vice-presidential candidates visited his North Oaks, Minn., home, with San Antonio Mayor Henry Cisneros, New York Rep. Geraldine Ferraro and Kentucky Gov. Martha Layne Collins—who will

chair next week's contest—among those seeking consideration. As the week wore on, Mondale came under increasing pressure to make a choice. New York Gov. Mario Cuomo, for one, called the search process disfranchising. And



**Everyone with Mondak in Minnesota:** an opportunity is presented a united front

Casno, one of the party's rising stars, and himself a possible vice-presidential candidate, urged Mondale to announce his selection before the convention begins on July 16. "You don't beat Ronald Reagan with pictures," said Casno, referring to the daily televised press conferences with Mondale and his visitors. "You beat him with policies."

Casno's view was echoed by Eliot Rokostanski, the lack of interest in the vice-presidential's job. Hart said that Mondale's interviewers with would-be running mates appeared to be an attempt to curry favor among blacks, women and other interest groups.

Wondale himself lost credibility to Hart's charge by suggesting that his first choice for a running mate might not be one of the men or women he has inter-

viewed **Said Mondale** "Not everybody we're considering are we interviewing." Of the seven interviews he has held so far, three have been with women, two with blacks and one with a Hispanic. Only one has been with a white Anglo-Saxon male—Texas Senator **Lloyd Bentsen**. But if Mondale ultimately chooses a candidate he has not interviewed, minorities may conclude that they have been exploited.

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—MICHAEL FORSTER  
in Washington

## INDEX

## Gandhi ousts an opponent

With the Punjab still in chaos, over June's storming by the Indian Army of the Sikh holy shrine at Amritsar, the neighbouring Indian states of Jammu and Kashmir were also in a state of confusion. Prime Minister Indira Gandhi's government dismissed the state government and sent troops to enforce the order. Then Gandhi's officials alleged that the Kashmiri Muslims had been ordered by Inter-Panek Abdullah, had failed to crack down on "enthusiastic" forces, a reward for movements committed to autonomy for Kashmir, India's northernmost state. The Indian government then accused the 800 radicals who were responsible for the murderous siege of the Golden Temple at Amritsar, an action that resulted in the deaths of 472 people. Punjab's population of 1,000 persons is what New Delhi claimed was an attempt to head off similar violence in Kashmir, some 36,000 paramilitary troops entered the state, and the Indian army, the Indian navy and the Indian air force.

The display of force proved to be effective. Assisted by local police, the troops opened fire and used tear gas to break up several violent clashes between infuriated protesters and the police. The police used the new ammunition in one rifle. Faruqi lay flat, wearing black jallabiyahs to prevent leaders of the new administration from learning down the name of the protester's picture from an outsider display. Faruqi was seriously injured. In the tense atmosphere Faruqi condemned Gandhi's action as "totally unconstitutional and undemocratic." But New Delhi officials said that Faruqi was not a leader, but a technically legal Faruqi lost his majority in the 78-seat state assembly. July 9, then 12 members of the ruling National Conference party (NC)—settling old scores—voted to strip Faruqi of support, leaving him with only 34 seats. All the political venom left by his dismissal last week, the Gandhi government appointed Faruqi's brother-in-law and political rival, Ghulam Nabi Wani, as Faruqi's replacement. Wani, 54, a former minister, was elected Shakh, with Faruqi expelled from the NC last year after a fight for the leadership, will govern with the backing of the 18 defectors, as well as that of 36 assemblymen who belong to the state government. Faruqi's Congress (I) Party Former Union Minister Faruqi was dismissed to fight his dismissal. He declared: "Unless they reverse their deci-



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also, we will not give up the struggle."

Kashner has been a trouble spot on the subcontinent for years. India and Pakistan have fought two wars—in 1965 and 1971—for possession of the region at the base of the Himalayas. Now the state remains divided in its loyalties to India and Pakistan and neither country has ever agreed to a settlement. Until 1982 Gandhi maintained a policy of careful co-operation with Parank's predecessor and father, Shank Mohandas Abdulah. A fierce defender of the predominantly Muslim population of Kashmir, the elder Abdulah earned Gandhi's respect by reluctantly leading down local separatist organizations. In return she provided him with generous economic assistance for the state.

But after the state's death two years ago Gandhi's confidence in the new wave, especially when his son succeeded him. Parank and Gandhi have clashed repeatedly since last year's state elections, during which the Congress Party made significant inroads in Kashmir but failed to win control of the legislature. Local Congress Party supporters have repeatedly staged protests—and often violent demonstrations. Last January, after politically related riots caused the deaths of nine Congress Party workers in Srinagar, Parank charged that the unrest was "just a conspiracy to dislodge" his government. Gandhi responded by accusing Parank of being unable to maintain order.

Indeed, observers say that Parank, a British-trained physician, has even alienated members of his own party while gaining a reputation as an ineffectual and often eccentric leader. Just days before his dismissal he took part in an advertising campaign by mounting a motorcycle, chasing a truck laden with illegal timber and personally arresting the smugglers.

Meanwhile, Gandhi's critics charge that she is relaxing federal violence by interfering with a duly elected state government simply because it opposed her. Indeed, some New Delhi-based analysts claim that Gandhi is attempting to control as small sympathetic state governments throughout the country in advance of a general election. Opponents state governments are important to Gandhi because they have powerful influence through their administration of such public services as roads and housing. For her part, the prime minister insists that her tough stance against hostile governments—including Parank's—is the only way to keep India together as a nation. With both the Punjab and Kashmir dangerously close to a flash point, many Indians fear that the cost of national unity may prove tragically high.

—JARED MITCHELL, with correspondents' reports

ISRAEL

## Israel's over-inflated election

Politics in Israel is traditionally a passionate affair. And most observers predicted a turbulent, heated campaign leading up to the general election scheduled for July 10. But not so, as the pollsters began campaigning in earnest, the public seemed uncharacteristically indifferent. The ruling Likud coalition, led by Prime Minister Yitzhak Shamir, is battling to rebound itself after suffering over economic issues last March reduced its standing in the 120-seat Knesset to 45

seats. To the expectation that the shekel will lose value more rapidly than new merchandise will depreciate, Israeli consumers have embarked on a spending spree.

Still, the Likud is trying to present a constructive portrait of Israeli society. Instead of defending its performance during seven years in office, Likud members have attacked the opposition, portraying Labor as a weak party whose advocates of territorial compromise on the occupied West Bank "will bring



Poles campaigning in Nablus: caution messages for a preoccupied electorate

about a development that prompted Shamir to call the election. At the same time, Shamir Parank's opposition Labor Party, buoyed by a 10-point lead in public opinion polls, is confident that victory is within its grasp. Both parties are spending heavily on television ads, but so far there is little indication that they are having any impact on voters. A strike for higher wages by television technicians has blotted out all regular programming except for the long and often frenzied political messages, and as a result the audience size has shrunk drastically.

At the same time, Israelis seem too preoccupied with the nation's current economic crisis to take a real interest in politics. The country is grappling with an annual inflation rate of 900 per cent, and its foreign currency reserves are rapidly running out. Many voters believe that no matter who forms the next government there will be a major post-election devaluation of the nation's econ-

omy. Arab timber lulls into being range of Tel Aviv. For its part, Labor has sought to present its lead by focusing on the economy. It has carefully avoided such emotional issues as the Likud government's 1982 decision to invade Lebanon and the continuing controversy over Israeli settlements on the West Bank.

If Labor continues to hold its current lead, the Likud may resort to a far more provocative strategy. One possible tactic would be for the Likud to spotlight Ariel Sharon, the controversial former defense minister who still enjoys widespread support among hard-line nationalists. Sharon has declared that it is unreasonable for voters to endorse Labor because of its policy on negotiating Israel's claim to the West Bank. But whether or not even that approach would kindle election interest among non-Zionist-wary Israelis will be a question as the Shamir administration's chance of retaining power.

—DAVID BERENSON in Jerusalem



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## PEOPLE

**When astronaut Tony Nelson (Larry Hagman) crash-landed onto a South Pacific desert island in 1966 and found a bottle containing a delectable 2,600-year-old genie (Barbara Eden), she made all his wishes come true for five years on set-to-set. To this day, one of the shining mysteries of *I Dream of Jeannie* remains Eden's novel. Although she undoubtedly had one, the bare whisper of her harem fantasies never revealed it. But the 40-year-old Eden (tummy will be astonishingly correct—and fully frontal—when she goes into production for the made-for-TV movie *I Dream of Jeannie: 15 Years Later*) "I was once going to be Jeannie on-stage," said Eden. "There was a bottle and lots of magic and completely original songs." That never happened. As for the new movie, all she has so far is the title.**

**Howard Rollins made the transition from journeyman actor to star three years ago as the militant plantist Gus Kooser in *White Fumes*—the epic film *Apocalypse*, winning an Academy Award nomination for his performance.**



Eden, anatomically correct, Hart's mystery and magic, eagle feathers and red faces

But two months after *Apocalypse* was completed, Rollins began serving a two-year sentence in lunch-hour theaters and television soap operas because he refused to play what he calls "super Negro" roles—pimps, thugans or athletes. Then Canadian director Norman Jewison rescued him by casting him as a slave in *A Soldier's Story*, based on a play by Pulitzer Prize winner Caryl Chessman. Rollins, who powerfully portrays an officer investigating a murder on a southern

army base during the Second World War, praised Jewison and the script. It was a relief, he said, not to be told "Bring your tape shoes."

**Washington was rewriting last week in the adventures of presidential hopeful Gary Hart and beautiful North Dakota-born Indian grandmother Marilyn Youngblood. In the July issue of *Harper's* Pier magazine, Gail Sheehy reported that Hart and his "spiritual adviser" participated in a ceremony five years ago in which, Youngblood recalled, "they brushed the front and back of our bodies with eagle feathers. It was sensual." We're skeptical. "To pray with the Indians you must take off your clothes." Last week a visibly embarrassed Hart denied having taken part in that particular ceremony, but he did admit that Youngblood "has offered interesting advice." One recommendation: "Tag a tree."**

**American ride in Pinar del Rio's striped simpatia and Frenchness out ruidance from his camp. But when he opened a questionnaire to Mollen's, the famous Paris columnist, in Peking last September, it failed. The problem: billionaire Cardin can afford to order Concord a limousine while the average Chinese worker earns \$16 a month and has to settle for Peking duck. But Cardin agreed again last week, and opened Mollen's, his idea of a bargain-basement eatery, where a roasted ham and cheese sandwich costs \$1. Said an unapologetic Cardin: "I cannot feed a billion people. I am not the Holy Spirit!"**

—EDITED BY BARBARA REICHGOLD



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On the rocks



# Riding on a merger wave

By Ian Austin and Lenny Glynn

The Dow Jones average of U.S. industrial stock prices is down 16 per cent from its early 1986 peak and rising interest rates are haunting Wall Street. But corporate merger activity in the United States has reached a pace that Kenneth Miller, the chief of mergers and acquisitions for Merrill Capital Markets, describes as "normal." Already this year mergers and other buyouts promise to surpass their record peak of 2,981 deals, set in 1976. At the same time, the price tags on current deals are setting new records. Since January there have been 15 mergers or takeovers worth more than \$1 billion (U.S.). The deals are producing large profits for individual and corporate investors, as well as their lawyers and bankers. But the new merger wave is also stirring unease in political circles. Some critics and politicians contend that the mergers may be harmful to the U.S. economy as a whole.

In Canada recent mergers and acquisitions have not matched the enormous dollar value of those in the United States. But the bureau of competition policy of the consumer affairs department estimates that there were a record 608 mergers last year. And in the first five months of this year, there were 211 mergers, just slightly below the 1985 level. With Canada's already high level of corporate concentration, many fear the merger spurge particularly worrisome to some economists, it has not provoked the intense political criticism that has arisen in the United States. Indeed, a bill designed to strengthen Canadian competition laws will disappear from the Commons order paper when Prime Minister John Turner calls a federal election and Parliament adjourns. In the United States concerns about the effects of the takeover wave extend into the boardrooms of Wall Street itself. Among the critics, Felix Rohatyn, a senior partner at the influential investment bank Lazard Frères. "All this frenzy may be a good thing for the country or investors, but in the long run, we seem to be living in a 1920s Jax Age atmosphere," Rohatyn declared last week.

One aspect of the takeover wave that has particularly troubled politicians and business experts alike has been to be known as greenmail, a play on the word

blackmail. It is a process under which an outside investor purchases a large block of stock in a company. Threats to gain enough control to ouster its management or stage a complete takeover and finally agree to sell back its shares and exchange for a hefty profit. Among the most prominent North American financiers who cashed in on the greenmail

term playing the stock market."

Three years ago Samuel Rubenberg announced that the three brothers intended to turn their attention toward the United States. "You reach a stage when it is very hard to grow much further in Canada," he declared. Two years earlier, in 1979, the three brothers came to the attention of Wall Street when they purchased a 51-per-cent



Samuel Rubenberg: a major player in the takeover swampland.

stake in the Seaboard and Hymon Rubenberg, who have turned a family and-furniture business into a \$2.3-billion empire of real estate, trust and leasing firms run by a family-controlled parent company, First City Financial Corp., of Vancouver. While a series of their recent financial moves fit the greenmail pattern, the brothers insist that such as action was never intended. Said Samuel Rubenberg, "We never, ever set out to do that. We are an stock players I do not believe anybody makes money in the long



term in the Seaboard Group, a leading investment firm. First City insisted that it did not intend to take over the firm, but it soon raised its holdings to 25.6 per cent. Eventually, Seaboard management sold out to the Prudential Insurance Co. of America. First City's massive profit from the sale of an 80-cent share to the insurance giant: \$25 million (U.S.). Since then the Rubenbergs have made other, smaller deals. At well, they teamed up as partners with Toronto-based T. Boone Pickens Jr. in his bid for Gulf Oil last winter. The Pickens-led



Windsor: funded off for \$40 million

group sold the 13-per-cent share of Gulf Oil to the Standard Oil Co. of California (Socil), which bought Gulf for \$13.3 billion (U.S.). The Rubenbergs' estimated share of the windfall: \$40 million. Currently, the Rubenbergs' aggressive drive is directed at Blue Bell Inc., a Greensboro, N.C.-based clothing manufacturer best known for its Wonder Pants and Jantzen underwear. They have bought just over nine per cent of the company, but recent filings with the U.S. government indicate that First City might try to acquire as much as 40 per cent of the company's stock.

For his part, Pickens made a profit of \$500 million on the Socil-Gulf deal far less, Mess Petroleum of Amarillo, Tex. At the same time, New York financier Saul Steinberg is also making a huge profit from the buy-out, sell-out swampland. His most recent success involved Walt Disney Productions of Burbank, Calif. Through the company he controls, Redwood Group Holdings Inc., Steinberg launched a joint takeover bid with media pioneer financier Kirk Kirkorian—who controls the new 10 Entertainment Co., for Disney this spring, and after 76 days of financial dealing sold back his 21.1-per-cent stake in the company to the firm's management for a profit estimated at \$28.8 million, in addition to \$28 million to cover his expenses on the deal. Like the Rubenbergs, Steinberg denies that he intended to oust the greenmail. A court document made public last week quotes the financier as claiming that he only dropped his bid for Disney after the entertainment and real estate company threatened to make a move that would have loaded the firm up with \$4 billion worth of debt and left Steinberg in sole control.

Also prominent in recent merger

moves is Australian newspaper owner Rupert Murdoch. Like Steinberg, his target was another firm with major entertainment holdings: Warner Communications Inc. After 100 days of financial maneuvering with Warner's stock, he sold the company back his shares for a \$40-million (U.S.) profit this spring, as well as receiving \$5 million to cover his legal bills.

The latest trend in mergers in both Canada and the United States is leveraged buyouts (LBOs). In those operations a small investors' group acquires a company largely by borrowing the purchase price. Ultimately, the buyers pay off their takeover debt with funds generated by their new holding or by selling off the acquired company's assets. Because the deals effectively transform the acquired company's equity into debt, leverage is always a risk of interest rates climb sharply, as the firm's busi-



Pickens (above), Steinberg: ever having takeover fights produce huge profits.

ness drops off. But that potential problem has not discouraged investors. Indeed, at least two Toronto-based financial firms—Gross Capital Corp. and Redfield Corp. Ltd.—have been created in the past year to arrange financing for LBOs. In the United States, LBOs have been used to finance deals on a large scale. The management of the City Investing Co., a New York-based firm, is considering taking the company private by buying out shareholders. A court document made public last week quotes the financier as claiming that he only dropped his bid for Disney after the entertainment and real estate company threatened to make a move that would have loaded the firm up with \$4 billion worth of debt and left Steinberg in sole control.

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Walt Disney Co. (above) in takeover.



## A Canadian buys Atari using no cash



Atari games: slumping demand for Pac-Man and home computers caught Atari off guard

With impressive speed and dexterity, Canadian entrepreneur Jack Tramiel, the 35-year-old former chief executive officer of Commodore International Ltd., acquired Atari Inc. of Sunnyvale, Calif., last week and promptly travelled himself in the videogame and home computer company's headquarters. The takeover by Tramiel provided one surprise for business analysts. The terms of the deal provided neither Atari's parent company, New York-based Warner Communications Inc., was apparently so anxious to sell the company, which lost \$239 million last year, that it agreed to an extraordinary bargain. Tramiel did not get up any cash for Atari, whose assets are valued at \$300 million (U.S.). Instead, he simply signed long-term notes that allow him to get Warner \$200 million during the next 10 years. Said analyst Fred Anshel of Dean Witter Reynolds in New York: "In effect, Warner is financing the whole thing."

Atari is only one of several troubled firms in the weakened and overpriced consumer electronics industry. Since last October, Texas Instruments Inc., Mattel Inc. and Tronix Corp. have all abandoned the field. And according to Martin Roman, an analyst with First Boston Corp., a New York-based investment banking company, videogames and home computers may be "the electronic Kala-Hoops of the 1980s." Atari's history seemed to support that view. Bought by Warner for \$58 million in 1976, Atari expanded strongly, and its

profits climbed to more than \$200 million in 1982 from \$73 million in 1980—about 60 per cent of Warner's total profits.

During its growth period Atari earned a reputation as a model for the averse. Atari's industry was widely expected to assume in the future. Demotivators who promoted an economy based on high technology became known as "Atari Democrats." But the company was caught off guard in late 1982 when consumer demand for videogames collapsed. The company's difficulties worsened last year when Commodore, then under Tramiel, started a devastating price war that forced Atari to discount prices for its products by as much as 75 per cent. Said Harold Vogel of Merrill Lynch Capital Markets in New York: "Once they [Atari] moved into the fast world of consumer electronics and manufacturing computer hardware, they were out of their element."

Without Atari, Warner will now focus on its more profitable endeavors: film-making, music recording, publishing and cable television. Under the deal Warner will also keep

Atari's coin-operated pinball division and Atari-TV, a television-cable operation, which made up 39 per cent of Atari's total business. As well, Warner has share warrants that enable it to buy a 35-per-cent stake in the new Atari Corp. For his part, Tramiel, who has agreed to invest \$75 million in the company, has the option of purchasing one million shares of Warner's common stock at \$22 a share.

Atari's new chairman developed Commodore from a tiny typewriter shop established on Toronto's Yonge Street in 1968 into a \$1-billion business when he left it last January. Tramiel, born in Poland, moved to the United States in 1947 after three years in Nazi concentration camps, then to Toronto in 1956, where he founded Commodore Portable Typewriter Co. Ltd. After expanding into such products as office furniture and pocket calculators, Tramiel brought Commodore into the lucrative microcomputer market in 1976. Before launching the popular PET computer he had studied Japanese business methods and claimed he would "out-Japanese the Japanese." His plan to reverse Atari's

Sometime resembling the aggressive cut-throat tactics he employed at Commodore.

Tramiel said last week that he intends to lay off 300 of Atari's 1,200 U.S. staff and cut the price of its videogame products. Then, he said, he will venture into the home computer markets now dominated by Apple Computer Inc. and Commodore. He also claimed that Atari will break even within 90 days. But not all share his confidence. Says Vogel: "It will take a lot of time changing—more than he can do in 90 or 180 days." Said Tramiel: "Business is war, and if anyone gets in the way, I shoot it." —PETER GRIFFIN in Toronto



Tramiel's business is war



Like Air Florida's plans: overexpansion, fierce competition and a taste of success

## Grounding a highflier

The same was a distressingly familiar one for the U.S. airline industry. At Miami International Airport last week hundreds of confused and disappointed passengers lined up seeking cash refunds for suddenly worthless tickets. Grounded on the tarmac outside was a fleet of blue-and-green Air Florida planes. The airline had declared bankruptcy.

Air Florida began as a commuter line in 1972 with three propeller-driven aircraft, and in 10 years it grew into a \$2-billion operation, serving 40 cities in 15 countries. Then it collapsed on July 3 under a \$221-million (U.S.) debt load. By filing for reorganization under U.S. bankruptcy laws Air Florida became the third major casualty of fierce competition since the U.S. airline industry was freed from route and fare regulations. And, as in the earlier liquidations of Braniff International in May, 1982, and Continental Airlines in September, 1980, the impact was felt first by thousands of passengers. Declared Miami airport public relations officer Annmary Zurbrugg: "Travelers don't know whether it's true, right or left."

Air Florida spokesman Robin Cohen predicted a resumption of service after a financial reorganization. Said Cohen: "We're working on a definitive plan to resume operations shortly." But many industry observers were less confident. Said Jerrold Green, president of Newark Services Ltd., a Miami-based consulting firm: "Everything they have is mortgaged to the hilt."

Air Florida's ambitious entry into

new markets, which began after the industry was deregulated in 1978, initially proved to be profitable. The company added more than \$9 million in 1980. But by 1981 fare-cutting competition, which Air Florida itself helped to start, combined with a depressed travel market to claim a heavy toll. In 1982, the company lost \$5.9 million. When losses increased to more than \$11 million last year, the carrier began to cut back.

Last week some experts said that Air Florida's strategic errors helped lead to its demise, but others blamed deregulation. Said Michael Bessner, the retired senior vice-president of New York-based Trans World Airlines: "Deregulation meant that carriers were encouraged to cut into each other's business in a self-destructive pattern."

Air Florida's collapse had no noticeable effect on Canadian travellers. Although the Miami-based airline formerly had charter flights to Toronto and Quebec City, they were discontinued early this year. But the U.S. airline's demise will likely be closely watched in Ottawa, where the government recently decided to move toward limited air deregulation. This spring federal authorities gave airlines permission to set fares by as much as 25 per cent and to apply to federal authorities for expanded routes.

According to Michael Hirt, Transport Canada's director of domestic air policy: "In the United States airport by the money could start an arms race between, Chicago and Houston. If it did not go, they could simply shut it down."

—WILLIAM LINTHICOT in Washington

## A fraud trial for Scotiabank

The Bank of Nova Scotia found itself in the unenviable position last week of being the first Canadian chartered bank to appear in court as the defendant in a criminal action. In a Regina provincial courtroom the bank pleaded not guilty to eight counts of fraud relating to the 1976 bankruptcy of C.P. Kaufmann Ltd., a Regina-based furniture and appliance chain. The issue in the case is expected to be the manner in which banks handle the accounts of firms that are in financial difficulties. Another is expected to be the role played by bank-appointed company managers.

The Crown alleges that the bank misapplied the flow of money through the Kaufmann account after it prepared the company to appoint a manager, Peter McKelvey. From the management resulting from the bankruptcy in the fall of 1976 the mandate to try to heal the ailing company, which had sales of \$15 million in its final year of operation, but had debts of more than \$5 million. By misapplying the money, the Crown charges in the indictment, the bank reduced profits from supplies and used the money from checks of the merchandise to help pay off a \$11-million Bank of Nova Scotia loan, and Raymond Fickler, while putting stop-payment orders on cheques destined for suppliers.

Three years ago Clarence Kaufmann, the bankrupt company's president, was convicted of fraud and sentenced to four years in prison, and Raymond Fickler, the company's last treasurer, received a two-year-less-a-day sentence on the same charge. Both are under appeal.

Toronto lawyer John Sopinka, who is leading the bank's three-ton defence team, said that the evidence would have far-reaching effects in the banking industry. The proceedings of the bankruptcy were quite extensive, Sopinka said, "and as one case it was fraud before the Supreme Court, the Charter of Rights and Freedoms argument to answer the Crown's case."

Alan Hadyk of Saskatoon, one of the Crown prosecutors handling the case, contended that the case has already affected the banking industry. Said Hadyk: "Banks have noted their belief where it comes to companies that are in trouble." But David Kingston, senior administrator of commercial credit at the Bank of Nova Scotia in Saskatchewan, took an opposing position. Said Kingston: "I think we have been cautious and prudent at all times."

—DAVID BELLER in Regina



# The man who would be different

By Peter C. Newman

Most senators have shaggy-haired heads and spend their remaining life force in irrelevant pursuits, such as a passion for minor French cheeses. But Michael Pitfield is different. Even though his appointment was a cynical ploy by Pierre Trudeau to offend and seduce who came as close as any public servant to embracing the former prime minister's ideology, the astute clerk of the Privy Council has since been using the Red Chamber as a platform for some highly relevant opinions about the nation's political, economic and social directions.

Pitfield's retrospective presence continues to haunt political Ottawa. John Turner's first act as Prime Minister was to begin dismantling the Pitfield-inspired decision-making structure, though the new PM attacked as being "too elaborate, too complex, too slow and too expensive." The former Privy Council clerk can be forgiven for being a bit skeptical. "We will see what takes shape. There will be the reality of the new system, and there will be the press releases on it. Every Prime Minister should organize his shop to suit his purposes." He believes the main issue of the election campaign should be the balance of expenditures between social and economic priorities as well as not so much the degree but the manner of future government intervention.

More immediate considerations aside, Pitfield has few regrets about the mission he shouldered as chief operating officer of the Trudeau administration, especially its concentration on constitutional reform. "I make no apologies for that particular priority, although I regret the confrontations it entailed," he said during a recent interview. "Disunion of the Confederation has removed from the scene an obstacle that had no long prevented any heading at all being made in the maturing of our national institutions. Almost any house that was brought up required an amending formula, and the provinces were never ready to agree on one unless their needs—never unanimous—were met. That is settled now, a solution that jurisdictions over natural resources is in place, and we can get on with some of our major national projects." Pitfield's only regret is that the Chamber of Rights and Freedoms is open to so many interpretations that the country will be rained by litigation, with access to the

law flowing toward the rich and special-interest groups.

His recent assignment as a senior member of the Canadian delegation to the United Nations has given Pitfield firsthand knowledge of the Reagan administration's chauvinistic world view, an experience that has turned him into an ardent Canadian nationalist. "I know now that the system of government we have is considerably better than anything we might get by creeping under the American umbrella," he says. "We



Pitfield: a retrospective presence

must cut our own path following to our best national interest as we define it. The sad fact is that there are elements within the American administration that did not welcome Pierre Trudeau's efforts to get other countries to discuss arms control, and they were basting that our being so might adversely affect our bilateral relationship." He refuses to give names but accuses Canadian business leaders of trying to sabotage the Trudeau peace mission because "it

was making some people in Washington very unhappy."

It is mainly because of such experiences that Pitfield argues against the free-trade lobby in Canada which pretends that our economic relations with the Americans can be free of political dimensions. "Whatever we do in terms of defining our trading relationship with the United States," he maintains, "shouldn't be open to the kind of tail-wagging Americans so often use, such as pretending that the administration is on our side but can't dictate to Congress."

In that and other issues Pitfield's views on Ottawa are the centre of the Canadian strivings have mellowed considerably.

He concedes that trying to define the Canadian identity was an obsession of his generation but dismisses it as the growing pains of an adolescent resulting, for instance, who finally says to himself, "I am what I am, so let's get on with it." Few realize how very tough the United States can be in the advancement of our interests as a superpower. The Americans have there in us free lunch among nations, even if we don't. What the senator from the Longview-Rock advances is that Canada's private sector return to its 19th-century tradition of merchant adventuring and innovation. "It never ceases to amaze me," he says, "that so few people recognize that businessmen are responsible for shaping the whole country's infrastructure. The other thing that absolutely baffles me is that we should, at this precarious stage in our history, be doing anything the priority being given to education."

None of these opinions is particularly radical, but their source is significant. Pitfield, in many ways, is the last of his kind. He went into the public service 20 years ago, the way several sons of English vicars in 19th-century England went into the army, as if they were from Scotland, became fixated with the Hudson's Bay Co. Now, Pitfield is terrified by how far and how fast the barnyard arena has spread and wants to become a power broker between public and private interests, trying to influence the members of what passes for Canadian economic policy. "I hope to be a catalyst in that process," he concluded, turning back to the Hyperion computer that processes all his thoughts these days. "That sag sound promising, but perhaps I can act as a tonic of a stimulant so that we stop the rhetoric and start talking about the harsh realities shaping Canada's world."

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# The Great White Shark bares his teeth

For more than 20 years the world's greatest golfer has been Jack Nicklaus, the celebrated Glades Bear. Nicklaus, 41, wrested the mantle from Arnold Palmer in the early 1960s, and he has gone on to win 79 Professional Golf Association (PGA) tour events and an unprecedented 19 so-called major championship—two U.S. Amateur titles, four U.S. Opens, five Masters, five PGA championships and three British Opens. He has used a combination of power, precision and intense mental concentration to win titles, to capture the hearts of golf fans around the world and to assure a vast personal fortune. But now, the Nicklaus era of golf preeminence may be drawing to a close and the age of Greg Norman, the brilliant Australian, may be dawning.

Other players—including such stars as Tom Watson, Johnny Miller, Tom Weiskopf, Ben Crenshaw and Seve Ballesteros—have also challenged Nicklaus through the years. But Nicklaus has always prevailed and, indeed, he remains favored to win virtually every tournament he enters. That may change now that Norman, 30, the so-called Great White Shark, has decided to play against the U.S. professionals on a regular basis. He has told his agents in Queensland and London, England, and is having one built to his specifications in Orlando, Fla.

Prior to this year's PGA tour, Norman's sun-kissed white hair and somewhat too short legs were only at international events. He has won 50 tournaments outside North America. Among them the Australian and French opens, two World Match Play championships and two British Masters titles in Britain. But this year Norman decided to concentrate on the PGA tour. He captured his first title, the Kemper Open in June, in only his 10th start. Two weeks later he beat Fuzzy Zoeller for the U.S. Open—only to have it played. Then last week at the Nicklaus-designed Glen Abbey course in Oakville, Ont., Norman crushed Nicklaus over the final five holes to win the Canadian Open and \$94,500. In his first five starts on the highly competitive PGA tour—where almost any player who makes an event has the skill to win it—Norman's best appearance has won two championships, \$71,825 and ranks eighth on the money list. See notes ahead of Nicklaus himself. As the game's best players prepare for next week's British Open at St. Andrews in Fife, Scotland, the "old grey toes by the sea" whose golf was born,

Norman is the early favorite to win one of golf's four major titles and reinforce his claim to Nicklaus's dominion.

Norman, a native of Melbourne who earned his nickname partly for his white hair and partly for shooting sharks on Australia's Great Barrier Reef, learned to play golf by studying two books—*Golf My Way* and *My Fifth-And-Last Way to Lower Your Golf Score*—

B.C. "When I'm playing with him, we hit our tees about the same distance. But whenever Greg wants to, he just lets out the shaft and cranks it over 300 yards."

Still, Norman's fast-growing popularity is a result of his personality as much as his dramatic and powerful swing. He exhibits daring and good humor in equal measure. Says Norman, "I've never had

a problem with a lack of confidence. Give me a difficult pin position and nine times out of ten I'll go right at it." Teasing Zoeller by an embarrassing eight strokes at the start of the final hole of their U.S. Open playoff last month, Norman seemed to his opponent, grinned and said, "Double or nothing?" Minutes later he walked off the 18th green at Winged Foot Golf Club in Mamaroneck, N.Y., smiling. He arm on Zoeller's shoulder. Two weeks later Nicklaus walked off the 18th at Glen Abbey, smiling. He arm on Norman's shoulder. Said Nicklaus "Norman is a very good player and he's getting better."

For all his success, it is the issue of international competition that stimulates Norman. "In Australia I played Australian rules football, rugby and squash. I loved to compete and I loved to win," the on-and-on, 165-lb. Norman said last week. "And now in golf, it is not the money that motivates me. I get my buzz from the thrill of winning. It is the thrill of walking down that last fairway knowing I have to make a certain shot to win."

It is also a feeling that Nicklaus knows better than any golfer is history. Victory elated Nicklaus again at the Canadian Open—this year marked the sixth time he has finished second in the event, which he has never won—and it may elate many of the world's top players now that the Great White Shark has begun to close in on the Golden Bear. —LORNE KROENSTADT



Norman (left) with Nicklaus: regular and father

written by Nicklaus. Like his mentor, Norman has built his game around incredibly high and long shots. In fact, he hits the ball higher, farther and straighter—some after time—than anybody else. On the final day of the Canadian Open he demonstrated his mastery for a national TV audience by hitting a five-iron 213 yards (most pros hit that club 190 yards) and hammering two shots more than 300 yards. Said Canadian touring pro Joe Nalred, of Burnaby,

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Severe job search another: 'the problem is more serious than the government is willing to acknowledge'

COVER

## Young and out of work

By Ross Laver

**I**n Coquitlam, B.C., 33-year-old engineering technologist Darren Bartel sweeps 20 hours a week watching television or lying on the beach because the reality of 33 months of unemployment has dashed his dreams of a promising future. In Halifax 25-year-old high school dropout Philip Dewar has discovered that no employer will hire him because he lacks skilled training and on-the-job experience. And in Calgary, Vivian Hertz, the 17-year-old daughter of an unemployed gas station attendant, is so discouraged because she cannot find work that she spends entire days in bed, staring at the ceiling and wishing in vain for a reply from any of the hundreds of companies to which she has applied. Bartel, Dewar and Hertz are all victims of one of the most potentially dangerous social problems that Canada has had to face since the Depression of the 1930s.

For the more than half a million unemployed young Canadians the summer of 1984 offers no rewards of youthful exuberance or sunny optimism. Instead, because of the economic slowdown, and

the fierce competition from the baby-boom generation that preceded them to the job market, they are unable to find work at the very time that society expects them to begin laying the foundations of adulthood. The most pessimistic analysts talk of the danger of social unrest and the creation of a "lost generation"—a hardcore group of alienated youths for whom the temporary protection of unemployment insurance payments and welfare is gradually becoming a straitjacket of lifelong dependency.

**Alarms:** The dimensions of the problem are staggering. Of the more than 1.5 million Canadians listed as officially unemployed in June, fully 520,000 were youths—where Statistics Canada defines an adult as people between 25 and 34 years old. And although the unemployment rate for young people has improved slightly over the past year as the economy nudged toward recovery, it is still 17 per cent, almost double the 8.7 per cent jobless rate for those 25 and over. To meet the crisis the federal government is spending an average of \$3.6 million a day this year on programs designed solely to lessen the number of

unemployed young people. Officials estimate that an additional \$3 billion will go toward unemployment benefits and welfare payments to unemployed youth. Among the many young people still suffering the aftermath of the recession, despair is widespread. "You get pretty depressed about it. You can't really think ahead," said Edward Doyle, 25, of Bartel Cove, N.B., a fishing village of his north of St. John's. A high school dropout who still lives with his parents, Doyle calculated that he has worked a total of 18 months in the seven years since he left school. He spent a month with relatives in Halifax, recently trying to find work that he left disappointed. Said Doyle: "I would go through the paper every evening. But if you have not already learned a trade you need to have experience. If you do not have one or the other, nobody wants to hire you."

The same sense of frustration afflicts Toronto's Michael Goodhead, who left home last August—the day after his 26th birthday. After moving in with a friend for a few weeks Goodhead wound up in a downtown hostel living on a string of outlays of \$200 to \$30 a month. Then he left Grade 10 and began drifting from

job to job, usually working as a dishwasher at a bistro or in a restaurant. "What happens is that you get fed up with the monotony of it all," he said. "The job does not go anywhere. You are actually working harder than you would be in the entire restaurant. You are required to take out the garbage, wash the dishes and close up." Finally, Goodhead turned for help to a local youth counselling agency, which recently helped him enroll in Kitchikaw, a federally sponsored youth program. Participants in the nine-month program work on community projects for \$1 a day and free room and board. At the end they receive \$1,000 to help them re-enter the work force.

The inability of so many young people to find jobs has become a political time-bomb. Early last month then-acting Prime Minister Jean-Luc Pein presented a shocking statistic to the Commons when he suggested that the reason why an estimated 106,000 unemployed youths have given up looking for work—the so-called hidden unemployed—may be "psychological." Said Pein: "The reason may be, I have looked for two or three months and have not found one. The reason could also be 'because I am lazy.'" For their part, opposition MPs described the official Statistics Canada estimate of 520,000 unemployed young people in the month of May as only the tip of the iceberg. They cited a June study by the Social Planning Council of Metropolitan Toronto, which concluded that the true number of unemployed young people in the same time period was 781,000, a figure that included underemployed young people and the hidden unemployed. Capped the report's author, Leon Massey: "The problem is more serious than the government is willing to acknowledge."

**Unlucky:** Among the thousands searching for work even higher education is not the guarantee of success that it once represented. After graduating from the British Columbia Institute of Technology two years ago as a mechanical engineering technologist, Bartel spent eight months looking for work. He finally won a position at the University of British Columbia, but that job ended after five months, and he has not had a steady job since, despite making roughly 120 calls to prospective employers in his field. Said his mother, Frances Bartel: "I feel badly for him. It is very depressing for young people right now." Added Bartel: "We were all quite surprised when we graduated. The grade below as all had their job of three or four jobs. Then, in January, 1982, it was like somebody turned off the tap. It has been like that ever since." Now, Bartel said, he is willing to take a job in any related field as long as there is some opportunity for advancement. "It is like being in limbo,"

he said. "My plans were to be living on my own by now and in a career position, working my way up the ladder."

At Toronto's York University 15 out-of-work 1984 graduates, including 25-year-old Kevin Smith (first semester) and 23-year-old Cynthia Kassar (second semester), are taking part in a university-sponsored "job club," in which members pool employment leads and co-ordinate their job searches. They are facing a bleak job situation. According to Martha Casson, president of the University and College Placement Asso-

ciation, permanent jobs are still seeking employment. "Although there has been a slight improvement in job prospects this year, those who do find employment often have to settle for low-paid, short-term positions to gain experience for a job in which they will feel fulfilled."

**Challenge:** Indeed, for many young people a drive to perform work that is both stimulating and meaningful counteracts the challenge of finding employment. Frustrated by what they consider menial jobs, many youths drift in and out of the labor market, collecting



Woe: the danger of social unrest and the creation of a 'lost generation'

experience, a nationwide organization of career counselors and major employers, there has been a sharp reduction in the number of high-profile corporations that recruit on Canadian campuses since 1980. Added Rivi Franklin, director of the University of Toronto's placement centre: "The past couple of years have been bad for everyone. In the heyday of the 1970s perhaps 30 per cent of our engineering students would have gotten jobs by graduation day. At this point 50 per cent of those looking for

employment [renewed] during idle times and despairing about their inability to find a job that meets their expectations. In Vancouver qualified teacher Karen Kibben, 32, recently took a cashier's job in a local department store. Explained Kibben: "It is discouraging to pound the pavement for days and weeks and find nothing." Said Karen Jensen, 35, of Winnipeg: "There are a lot of jobs out there if somebody wants to look at just anything, but you have to have poor standards." A high school



graduate, Jeaner hopes eventually to work in an office but settled recently for a 14-hour-a-week job in a garment warehouse after a three-month stint on unemployment insurance. "A lot of people do not want to admit they work for certain companies because they think it degrades them," she added. In Calgary 22-year-old Todd Knyphus has been out of work since the construction company he worked for went bankrupt last November. Now he lives on \$790 a month in unemployment insurance benefits and says he would probably turn down any job that pays less than \$7 an hour. Said Knyphus, "I will not take anything below a certain amount unless I have a really good chance for advancement. But if it is slinging hamburgers—no, not now."

At the same time, experts worry about the long-term effects of high rates of youth unemployment. John McDonald, assistant dean of the University of Calgary's faculty of social welfare, said that one result of the job crisis is a breakdown in the traditional social process that young people use to make the transition from adolescence to adulthood. Said McDonald, "Use of the traditional means by which we are moving onto an era in which fall and responsibility enters into society will be jeopardized."

Instead, young people who endure prolonged periods of unemployment enter a man's land in which they are unable to support themselves and put are criticized as irresponsible for relying on others. Added McDonald, "Members of that group are being watched very closely for signs that they are lazy. They are subjected to constant harassment. But with ill-perpetrated unemployment there is little chance of them getting a job. So we march them mercilessly through a bureaucratic maze, and they end up being on social assistance."

**Stress.** Other experts worry about the long-term psychological and physical effects of unemployment on the young. Louise Desjarlais, dean of social sciences at the University of Montreal in New Brunswick and chairman of the Canadian Mental Health Association's (CMHA) committee on unemployment, said that research has shown a direct link between unemployment and deteriorating health caused by poor diet, isolation and stress. Jobless workers in general also experience what the CMHA calls a "reality-shock effect"—a gut-wrenching series of emotional highs and lows in which the initial burst of optimism about finding a new job soon gives way to crushed hopes, self-reproach and chronic depression. Said Desjarlais, "It may be that a young

person who has never held a job does not suffer the same withdrawal pains as someone who is laid off. But the effects are still remarkably similar. What we are seeing now is a generation of young people who will not want to follow the path that society is preparing for them because they see it is not working."

Currently, many young people who fail to find work are taking refuge in the classroom. According to Statistics Canada, the number of full-time students aged 15 to 24 attending university or college jumped a startling 26 per cent between 1980 and 1983, reversing a three-year downward trend. Observed a Statistics study, "With the recession more young people are going to college and university and they are staying longer." Still, the same economic conditions that lead some young people to wait to enroll in school are causing disturbing apathy in others. In a controversial survey last summer of 8,734 high school teachers, guidance counselors and school principals, York University psychologist Ronald Burke found something disturbing about the effects of the recession—isolating, budgetary cutbacks, poor teacher morale and pessimism about future job prospects—had led to a loss of interest in school work among many young people. Said Burke, "On the one hand we did find that some



Jeaner: students do not see the point of studying hard if there are no jobs to go to when they are finished

Montreal: one of the most potentially dangerous social problems that Canada has had to face since the Depression



of the kids seemed to buckle down and become more diligent about their studies in order to ready themselves for the job market. But a much larger group of students just gave up and became less serious about learning. It was almost as though they did not see the point of studying hard if there were no jobs to go to when they finish."

**Choir.** And without adequate education many of today's youths will find it more difficult than ever to find a job. A May survey by Statistics Canada showed that the national unemployment rate for youths with a Grade 9 education or less was 26.6 per cent. For those with a high school diploma it fell to 19.3 per cent, while the rate for those with a university degree was only 15 per cent. "The kids with only a high school education have a tough road ahead," said Ron Harold Parsons, who operates St. Michael's Mission in a church basement in the shadow of Montreal's upscale Place des Arts complex. Almost a third of them who arrive at the mission's door are under 20, but most, if not all, of those have finished education. Said Parsons,

"Two years ago we would get cases of people with university degrees coming in. But that seems to have fallen off since the worst days of the economic crisis."

Another dilemma is that the longer a

young person remains unemployed, the less valuable he becomes to potential employers. The reason work habits deteriorate, and it becomes harder to adjust in the 9-to-5 discipline of a steady job. "If someone is unemployed for the first five or six years of his adult life, then their ability to hold a job suffers drastically," said Elizabeth Reid, chief economist with the Atlantic Provinces Economic Council in Halifax. Patrick Johnston, executive director of the Ottawa-based National Anti-Poverty Organization, expresses a similar opinion. Deprived of the social contacts and sense of self-esteem that go with paid employment, he said, young people gradually lose touch with the values of the workplace, eventually drifting toward the margins of society.

The results of that alienation include a sense of hopelessness—and an increasing crime rate. "One of the big problems in the big cities is the amount of opportunity for criminal activities," said Royce Charles-Dumas, 37, who moved to a downtown Toronto hotel after leaving Grade 9 last fall and running away from home before, he said, he has been in jail twice. "You are bound to find someone careless who is walking around with his wallet full out of his pocket," he explained. "The stores don't have the best security. And people leave

their car keys in the ignition." Richard Stubbart, program manager of Mercury Youth Services in Toronto, said that there are probably as many as 1,000 homeless unemployed young people in the city at any one time and 1,000 during a full year. Most move from hostel to hostel and "are easy prey for whatever goes on there," including prostitution and theft.

In Montreal 20-year-old Yves Moreau freely admitted that he has resorted to prostitution to earn money. A former go-go dancer at a strip club in Montreal's east end, Moreau was one of two young Quebecers who staged a bus strike in a downtown square last month to protest the discrepancy between the \$416 a month in provincial welfare benefits paid to people 20 and over and the \$125 given to younger recipients. "No, one should have to live like a criminal," said Moreau, who lost 10 lb before calling off the protest "because it normal life" after 10 days.

**Recklessness.** For their part, government officials insist that the problem of youth unemployment is too deeply rooted for simple solutions. Said Carlos Herrera-Payette, Canada's first minister of state for youth, shortly before Prime Minister John Turner dropped her from the cabinet, "You just cannot spend a few billion dollars and



put everybody back to work." Instead, this year's federal budget for youth employment—\$1.3 billion—is spread among a bewildering array of programs and pilot projects aimed at employment counselling, training and skill development and job creation. Of that, approximately \$460 million will be spent to create full- and part-time jobs for 175,000 youths.

Still, many critics insist that the government's efforts to assist young job seekers are underfunded and poorly supervised. Conservative leader Brian Mulroney, for one, has attacked the Liberals for their failure to solve the crisis and promised that a Tory government would introduce an unemployment tax credit to encourage businesses to hire

work long enough to draw unemployment insurance.

**Promising:** In the long term, many experts believe that Canada's economy will have to undergo significant structural changes if it is to provide sufficient permanent jobs for the ranks of unemployed youth. One promising development is that long-overdue reforms to the country's pension system could encourage some older employees to retire before they reach 65, which would free up jobs for younger workers. At the same time, some economists have proposed a shorter work week—with a corresponding loss of pay—to ensure that the jobs that are available are more evenly distributed among those who are willing to work. But organized labor has been cool to the suggestion.

Still, other economists—including

60 per cent of students who finish compulsory schooling enter industrial training, usually as apprentices; for Canada the figure is less than 16 per cent. A 1982 Employment and Immigration Canada study of youth unemployment criticized the European emphasis on training for vocational specialties with Canada's educational system, which, it said, "has allowed students to take a wide variety of options, many of which are very general in nature, and does little to prepare students for the job market that awaits them. The study concluded with a call for urgent efforts to develop a more effective and flexible training system in Canada."

That approach has wide appeal. Said David Cardin, research director of the Ontario Economic Council: "I would say that ours is an age of change and adjustment, and our ability to change and adjust depends on the amount of education we have." A devoted supporter of proposals to peer more money into vocational training, Cardin describes most existing job creation plans for the young as "make-work projects suitable for the 1930s, not the 1980s. They have no impact whatsoever on the growth potential of the nation and they are a waste of money in that sense." For his part, economist and King of Queen's University in Kingston, Ont., who has spent seven years studying the transition of young people from school to work, has urged the creation of a massive system of one- to three-year

apprenticeships funded by governments and offered through community colleges across the country. Explained King: "Unfortunately, what happens now is that when the economy goes into a tailspin a lot of companies drop their apprentices in order to cut expenses, then when things start to improve we have to import skilled workers through immigration." Still, King acknowledges that improved vocational training would only go a small way toward solving the problem even for the young.

**Germany:** Other experts believe that the plight of the young unemployed is not as severe as some specialists have portrayed it. University of Toronto professor of psychiatry Dr. Saul Lerman, for one, who has studied the social and psychological effects of joblessness on the young, says he is convinced that Canada's youth unemployment problem is no worse than in most other developed



Vancouver's Kaitlin (above) suffers the aftereffects of the recession.



Western countries. And contrary to fears of widespread arrest, Lerman asserts that most unemployed young people remain remarkably optimistic and are convinced that their troubles are only temporary. Said Lerman: "A lot of the do-gooders do not want to face the fact that many young people are not particularly inclined to hold a job. They just do not find this working at that particular time—they would rather travel or take a sabbatical. And there is nothing wrong with that. It is one of the joys of youth."

In the end, it may be demographic changes—not political policies—that help to solve the current youth unemployment crisis. In addition to the Christian passion into adulthood, the ranks of Canada's youth population are gradually beginning to shrink. According to federal statistics the number of Canadians between the ages of 15 and 19 reached a peak in 1955 and it is now declining; the 20-to-24-year-old group is at its peak now and is expected to begin falling next year. In all, the total youth population is projected to decline to 8.6 million in 1991 from 9.7 million in 1981. At the same time, the number of high school and postsecondary graduates who enter the labor market will fall to 447,000 in 1990 from 535,000 in 1980, a drop of 16 per cent.

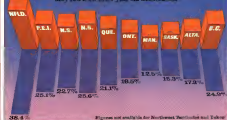
**Spotlight:** Based on those changes University of Toronto economist David Post has predicted a decline in youth unemployment from the current level of 17 per cent to about 12 per cent over the next five years. But Post also forecasts a rise in joblessness among the 25-to-34 age group—from 23 per cent in 1983 to as much as 33 per cent by 1988. "What is happening is that the unemployed youth of today are gradually turning into the unemployed adults of tomorrow," Post said. "They will have a spotty employment record and no-in-date job skills in an age of rapidly changing technology. And I am suggesting that they will continue to face a very hostile labor market as they grow older."

Such predictions provide no comfort for unemployed young people including Ardrick, 21, a Georgian Heights, Ont., who has been out of work for 18 months. She blames government employment programs as "bureaucratic" and accuses the frustration of thousands of her peers this summer who have failed to find a job that would give them a head start on the future. "It is appalling," she and the discouraged Mahoney. "It's so frustrating. You go out and spend all that time looking for a job and people just shut the door in your face. Some days you want to kick the door in."

While Gordon Legee in Calgary, Elise Leche in Vancouver, Susan McPhee in Regina, Cory Blair in Winnipeg, Pat Roche in St. John's, Bruce Walker in Montreal and Don Silbert and Robert Black in Toronto.

## Youth unemployment rates by province

May 1984, 25-to-34-year-old non-indigenous



Figures not available for Northwest Territories and Yukon

and train unskilled workers. Other critics, including Harry Mackay, senior research adviser to the Canadian Council on Social Development, contend that Ottawa's job creation efforts are often of little benefit because firms that receive financial aid to hire young people are forced to declare that they will not allow themselves to become dependent on the subsidies.

As a result, many jobless youths are critical of such programs and blame the government for their problems. Stephen Niska, 24, a high school graduate who has not worked since he was laid off from an unskilled job in the iron and industry in western Labrador in March, 1982, said that too many government initiatives provide short-term handouts rather than training for a permanent career. Said Niska: "A lot of programs, especially here in Newfoundland, put people in a rut where they only want to

Walter Block of Vancouver's conservative Fraser Institute—contend that a lower maximum wage is needed to ensure that young, unskilled workers are not priced out of the market. But Pierre Fortin, a professor of economics at Laval University in Quebec City and adviser to Finance Minister Mario Laframboise, said that he doubts such a move would create many jobs. Said Fortin: "The real solution is not a lower maximum wage—it is a healthy recovery."

One point on which there is widespread agreement is the question of job training. For young government and industry spokesmen alike have complained that Canada's ability to produce skilled workers lags far behind that of more technologically advanced nations with larger markets, such as West Germany and Japan, both of which have extensive apprenticeship and on-the-job training programs. In Germany about





Anarchist demonstration: youth unemployment will darken European skies for at least the next decade

COVER

## A prescription for anarchy in Europe

Five-year-olds in fashionable radical young Europeans to denounce government job creation projects as plots to entice them into a pitiless and unceasing production machine. Now, in the jobless reality of the 1990s, official planning has gained new respectability in Western Europe, out of a total population of 560 million, more than six million young people are unemployed. In such nations as Holland and Belgium, one person in three among the 16- to 25-year-old working population has no job. And even youths who do have jobs are convinced that they may not be able to keep them. Officials of the 15-nation European Community, which has 4.7 million young jobless out of a total of 135.5 million unemployed, say that the situation will deteriorate further. Decisive bar: Richard, 20, commander for preservation and social affairs. "For the young jobless, Europe holds out little hope." And he added that the bitterest unemployed young people express could produce a "prescription for anarchy."

**Depressed.** Three factors have combined to make youth unemployment a high-profile issue in Europe since 1980: a steep economic slump that has cost the European economy millions of jobs; the 1990s baby boom, which is currently adding one million newcomers to the labor market every year; and a structural economic realignment based on the

need to replace Europe's moribund technology industries with activity based on new technology. The result is that the unemployment rate across class lines. Said Bernard Schwartz, an adviser on the problem to French President François Mitterrand: "Until only recently, youth unemployment in Europe was a chronic ill confined to depressed areas or to the disadvantaged and ill-educated. At present, no sex, class or category is spared."

EU experts calculate that even to sustain the region's present low level of employment, European economies would need to grow at a steady 3.5 per cent over the next five years. Few experts believe it is possible to attain that goal. In a September report issued in late June, the Organization for Economic Co-operation and Development predicted that Europe's erratic climb out of recession this year—only Britain and Germany can hope for a 3.5-per-cent advance in their gross national products—would actually slow in 1993 and 1994. Said Belgian labor specialist Magda Lambert: "We have to accept that youth unemployment, far from being cyclical, is slated to darken our skies for at least the next decade."

European governments have been unable to formulate strategies to live to deal with the dilemma. The pessimism has caused most governments to reduce unemployment benefits. In Britain,

France and Belgium most unemployed youths receive less than \$200 a month in unemployment insurance benefits.

Faring in uncertainty, many European youths have banded together in co-operative ventures. With some government backing, the new firms—known as economic projects as "social employment initiatives"—provide services and employ as many as 500,000 young Europeans. One venture in Berlin, employing 80 youths, operates a cinema as well as a bakery, furniture store and leather goods workshop. Acknowledging an odd mix: "What they do eventually is to keep minds and hands occupied."

**Tragic.** The unemployment problem has added to Europe's increasing political and social malaise, indirectly strengthening the European peace movement and leading to a spectacular rise in drug abuse. But the most severe damage has been in the self-esteem and stability of the young people. Said Anneke Herman, 26, a Belgian teacher who last year found work only after 11 months in unemployment insurance: "My daily routine slowed down to a snail's pace and my mind swirled off. Others might take unemployment as a tragic drama. I internalized." And reports fear that unless the current job growth ends, a generation of European young people may be left stranded on the margins of society.

—PETER LEVITS in Brussels

## The new entrepreneurs

By combining their schooling with their ingenuity and a dash of entrepreneurial spirit, some young Canadians have managed to escape the grey specter of unemployment by working for themselves. Some accounts of their success.

**Roseanne Taylor and Nancy Anne Gendron:** In 1982 the two high school graduates from Calgary decided to supplement their \$100-a-week earnings on part-time grocery clerks. They inspired idea: custom-designed, hand-painted running shoes. Starting with a booth at the Calgary Stampede, Taylor, 24, and Gendron, 25, have watched their innovation grow into a busy retail and wholesale company called Funky Punks. Recently relocated in larger premises in Calgary's Stephen's Avenue Mall, Funky Punks sells the \$35.99 running shoes as well as a complete line of best-selling and accessories for men and women. Placed by monthly sales of \$12,000 and the fact that they employ five people, Taylor and Gendron are planning to expand their operation to Vancouver and Toronto next year. Said Taylor: "It is wonderful to see an idea grow into a business."

**Vincent Misaloff:** Eighteen months ago he started with an idea based on computer software. "Now," he said proudly, "we employ 15 people and are looking at operating 30 stores nationally by 1995." Misaloff graduated in business administration from Simon Fraser University in Burnaby, B.C., last August. Now he is a partner, along with his brother, Joseph, and another Simon Fraser graduate, Bob Estes, in Compu Software Inc. Compu is one of the largest business success stories to come out of Vancouver in recent years. While still at university, Misaloff, an avid home computer user, noticed that most microcomputer stores only sold computers. Buyers often had to obtain the programs that ran the machines—the software—separately. Said Misaloff: "There was a huge market niche for microcomputer software that I was not being addressed."

The three Vancouverites set out to fill the gap and since April, 1983, they have opened stores in Vancouver, North Vancouver and now in Victoria. And they plan to open three other outlets in Vancouver and Toronto. Said Misaloff: "Things have been so busy that I have not had time to count how rich I have become."

**Alana Alberman and Karen Obermiller:** Immersed in colorful clown outfits, Alberman, a 19-year-old student at Halifax's Mount St. Vincent University, and her partner, Obermiller, also

18, a student at Dalhousie University, roam the streets of Halifax distributing advertising flyers for a local restaurant. They call their business Marion Promotions and they started it about a month ago. The two women became business partners after they were hired to do a temporary promotion job for another company. "After five days we were unemployed again," said Alberman. "So we decided to create our own work." With

advice to companies for \$90 a day. Said Alberman: "We are doing everything from market research to arranging a government patent for a client with a new invention." The seven partners expect to generate \$50,000 worth of business by the end of the summer. Said Alberman: "We all came into this not only to have a job but to give ourselves some practical experience in our chosen field."

**Joseph Gagnon:** Success has overwhelmed the 22-year-old owner of Taggco Contracting Ltd. of Resdale, Ont. Gagnon is a business administration student at Humber College and he



Taylor (kneeling), Gendron attempting to escape the grey spectre of unemployment

an original investment of \$50, Alberman and Obermiller began to receive their personalized promotion services. They charge \$12 an hour to distribute material on the street. Said Alberman, who expects that she will earn enough in the next few months to finance her language studies next year: "I never envisioned that I would be doing this."

**Heather MacKenzie:** At 14, she is one of seven m.m.a. students who created a Montreal company called McGill Business Consulting Bureau in May. The young entrepreneurs are offering their

services in landscaping and grounds maintenance company last summer after deciding that temporary summer jobs washing dishes and leading tours were too demeaning and paid too little. He took out a bank loan for \$5,000 to supplement his \$5 savings and set up his office in the back of his parents' house. Taggco now claims monthly sales of \$12,000, and Gagnon expects five full-time staff. Said Gagnon: "It has gone from a mere better than I expected that I have had to turn business away."

—SARA MCKEE



# A champion of the unemployed

By Ross Laver

Only 18 months after Mr Jean Lapierre and Senator Jacques Hébert began quietly lining up Liberal caucus support for a new federal department of youth, Lapierre now finds himself in charge of the new portfolio that he helped to create. At 38, the slender Quebecer is also the youngest cabinet minister since Confederation—a distinction that he considers no proof that Prime Minister John Turner is committed to curing the malaise of Canada's 531,000 unemployed young people. But even Lapierre is careful not to raise false hopes. In an interview last week a few days after taking office, the plump-faced minister cautioned that he has no instant solution to the unemployment dilemma. Said Lapierre: "I hope that no one is expecting me to make a major announcement. What we are trying to do is to come up with a range of initiatives that respond to certain groups and needs here and there. But I cannot promise you a rose garden."

**Ascension:** Lapierre himself is a model of youthful optimism and success. The eldest of five children born to a welder, he grew up in the small fishing village of Baie de l'Île du Havre, where, one of the Magdalen Islands near the mouth of the St. Lawrence River, Lapierre moved in the current of Governor-in-Chief's family. In 1974, when, at 18, a high school class project on the 1973 provincial election sparked his interest in politics and served as his entry to the local Liberal party organization. By the next year Lapierre's enthusiasm as a volunteer campaigner had caught the attention of André Ouellet, the Liberals' chief organizer in Quebec, who hired him as a special assistant when Lapierre moved to Ottawa to attend law school. In 1978 Lapierre ran for federal office and captured a former Conservative seat in the Eastern Townships riding of Shefford after the incumbent, Clifford Rousseau, was convicted of several charges, including sexual assault. Lapierre's fortunes have risen along with those of Ouellet. Turner's Quebec campaign manager during the recent Liberal leadership race. Said Lapierre to Pierre Desjarvais: "Jean Lapierre is the most political of all my life. It is a true destiny of André Ouellet."

Indeed, Lapierre's rapid ascension from back-bench obscurity to a \$130,880-a-year post in the cabinet has created several of his Liberal colleagues. Government whip Charles

Turner, for one, complained to reporters last week that Lapierre and another new cabinet member, Indian Affairs Minister Douglas Frick, had not "earned their keep" as they did not deserve to be promoted. Said Turner: "You just cannot walk in there just because you have got a big name and a lot of money and walk into cabinet." He added that such promotions "cause morale problems" in cabinet. Meanwhile, as one of the pro-



Lapierre: a new advocate for youth

on youth minister, Orlène Harcourt-Payette—herself a protégé of Finance Minister Marc Lalonde—said that Turner had been planning to shut down the fledgling ministry until Payette and others intervened to save it. Added back-bench Quebecer Joe Zappalà, a supporter of Jean Charest in the recent leadership race: "Orlène Harcourt-Payette was a very competent and well-respected, dynamic woman doing a job in a portfolio which she knew inside out. If Jean Lapierre had to be replaced for

fears to the Turner campaign, I wish they would have given him another portfolio."

Lapierre's immediate challenge is to make his mark by devising attractive employment programs while keeping close control on spending. One option that he is studying is the creation of a youth apprenticeship program similar to one in Britain that combines 12 weeks of on-the-job training with an equal amount of classroom instruction. At the same time, Lapierre said that existing make-work schemes, such as the \$16-million Kitchiwitig program, ought to be redesigned and simplified so that participants receive actual job training instead of just beautiful human experiences—that one of little value to potential future employers. And Lapierre also plans to open discussions with the provinces over the level of government spending on youth training in the nation's schools. Said Lapierre: "Right now we are spending something like \$3.7 billion a year on postsecondary education for a privileged minority of youth, but only \$1.3 billion on job creation for all the others. Maybe what we need are new funding formulas to endow part of the expenditure in the system."

**Progress:** Still, Lapierre said that he does not plan to take over direct responsibility for any of the 17 federal programs that affect young people—programs that now are scattered across various departments. "My role is to serve as an advocate for youth," he said. "It does not need to take over the administration of things just for the sake of increasing my own power." In fact, Lapierre's department is tiny by Ottawa standards. Its skeleton staff of 14 is preoccupied with planning Canada's contribution to next year's United Nations International Year of Youth. Lapierre says he is confident that he will be able to make some progress in his new portfolio before the next federal election. Indeed, the election itself may help to put some unemployed young people to work, he added. Explained Lapierre: "Politics is a very wonderful place for young people to get started because there is always a vacuum waiting to be filled." But the youthful minister stressed that whatever method young people used to look for employment, it had to be practical. Added the minister: "In the past we could afford to let our youth dream. But when you are hungry, you have to be pragmatic."

With Hilary MacKenzie in Ottawa and Susan Solomon in Montreal.

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## The jog toward a weightier workout



Coldest (above): Rigler, looking for something different in this way of exercising

When Daniel Dryburgh, a 19-year-old jogger in Winnipeg, wants to increase the difficulty of his already grueling 11-km daily workout, he carries two-pound weights called Heavyhands as he runs around the neighborhood. Homepoint Kathy Coleman, 28, began working out with half-pound weights in February at a Vancouver fitness club. Now she carries two pounds in each hand when she exercises. The trend to increasingly refined exercise equipment, designed to improve endurance and stamina, is clearly on the upswing—and it delights manufacturers as much as it concerns some fitness experts.

Currently, the most sought-after item are various styles of weights that joggers can strap around their ankles or wrists, lace onto their shoes, carry in specially made vests or simply hold in their hands. Dryburgh's Heavyhands—hand-held, cast-iron weights made by the U.S. sports manufacturer ASP Inc. and retailing for about \$30 a pair—are popular among joggers who want to increase their upper body strength. For another \$30 a fitness reviewer can buy additional weights to add up to six lbs in each hand. There are also Logansmere vests costing as much as \$700 with as many as 36 pockets, each designed to hold a 1-2 1/2-lb steel weight. For \$300 a truly dedicated jogger can buy a watch that monitors heartbeats and lungs regularly to keep the gut evenly sized.

The new equipment is contributing to a booming multimillion-dollar fitness accessories business. Last October Gregory Durward of Richmond, B.C., started marketing a line of slatted, doughnut-shaped weights, flanked with lead shot, called Soft Weights, which



exercisers can slip over their ankles or wrists. In just eight months his company, Durward Industries Ltd., has sold more than 4,000 pairs at prices ranging from \$28 to \$44, depending on their weight. And Margaret Armour, owner of a Halifax fitness store called Aesthetics First, has sold an assortment of weights, including gloves filled with lead and Heavyhands, in the past year but she recently unveiled to a new style called The Band, a \$34, Velcro-secured ankle or wrist weight. Said Armour: "People who work out often attain a certain plateau and then they want a harder workout."

In Vancouver Laura Rigler, 25, is an instructor at a new fitness centre that specifically conducts aerobic workouts using weights. It now has 50 members who pay \$200 each a year. Said Rigler: "Right now people seem to be looking for something different [in the way of exercising]. It seems to be going over quite well." Martiprises Sports, one of Winnipeg's leading specialty shops for runners, also sells the new weights, but only in the smaller sizes. Said owner Nancy Desrosiers: "There is nothing you could drop and break a toe with."

Despite the weights' current popularity, some fitness experts believe that they are at best a passing fad—and at worst dangerous. Said Ted Thompson, physical education director for the Jewish Community Centre of Toronto: "Most people do not need the extra weight or the extra exertion. The heart won't hard enough during a good workout." He added that people who use weights during exercise classes "may end up with groin pulls because you may not be able to stop the leg from going past the safety point." As well, Thompson said, runners risk spraining their ankles because the additional weight can cause them to lose their balance. And Patricia Cinger, a professor of physical education at the University of Alberta in Edmonton, has concluded that weights are safe only if a "person has no difficulty with the back or the knee and as long as the posture during a workout is correct."

Still, if fitness buffs become over-enthusiastic while using Heavyhands or Logansmores, they can now buy another new gadget to keep cool: the Polarband, a terry cloth bandaid that, like a prom dressmaker pack, is chilled in the refrigerator overnight. During the sticky summer that may now be the hottest-selling gadget item yet. —NANCY KIRBY CAMPBELL, with correspondents' reports.

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Falconry: A big-money operation to smuggle one of nature's noblest creatures

## WILDLIFE

# Slowing the falcon trade

By Cy Jamison

**A** rare white gyrfalcon soaring over the Canadian Arctic in search of prey is one of nature's noblest and fiercest creatures. With a four-foot wingspan, the birds are prized as status symbols as well as hunters, and nowhere more so than in the Middle East, where falconry—hunting small animals with falcons—has an ancient lineage as a sport of kings. Prince Mitter of Saudi Arabia has a gyrfalcon in King Khalid of Saudi Arabia in 1980. Less established, who has in pay in indulgence in the highly class-distinctive sport, offer more than \$100,000 to have a white gyrfalcon with flawless feathers perch on their forearm. And the price may soon go up as a result of a series of early morning yellow raids on 17 captive breeding operations across North America on June 20. Conservation officers are not certain that they have impeded a lucrative poaching and smuggling operation which was sending the protected birds to the Middle East. Said Ronald Jean-Marie, an Ontario minis-

try of natural resources official preparing evidence this week against some of the 16 men and women under arrest: "The smugglers have a proper sense of no one except for drug dealers. They are into a big-money business."

The arrests in Ontario and eight states followed a three-year investigation by Ontario ministry hunters, the RCMP, the British Columbia ministry of the environment and the U.S. Fish and Wildlife Service. The smugglers allegedly took eggs and young birds across porous borders in ways familiar to narcotics traffickers: in the false bottoms of luggage, strapped to bodies, aboard small airplanes or in diplomatic pouches. In some cases the smugglers were able to obtain bird bands from U.S. breeding facilities, falsely identifying the birds as having been bred in captivity and not subject to Canadian and U.S. legislation banning commerce in protected wildlife.

Gale Gaffney, an enforcement specialist for the Ontario ministry, estimated that during the three years of the investigation poachers seized at least 600 and

possibly as many as several thousand birds and eggs from the falcons' breeding grounds in the Northwest Territories, the Yukon, British Columbia and Montana. Of those arrested, four were from Ontario, 30 from the United States and one from West Germany. Warrants were still outstanding against two suspected smugglers, said Ann Haas of the law enforcement division of the U.S. Fish and Wildlife Service in Washington. The worst part of this operation is, over, but the worst part is just beginning, and more indictments could be forthcoming.

Investigation on the trail of the falcons' commerce uncovered a highly complex plot. Wildlife conservation officials were trying to keep the location of new falcons' nests secret, the poachers apparently had a network of informants, including local guides—as well as a research report by scientists, who unwittingly revealed too much—to keep them well supplied with eggs and young birds. But what the smugglers wanted most were the so-called "passage birds," born in the spring and flying south for the first time in the fall. The smugglers allegedly lured the young falcons into 100-m.p.h. dives using decoy prey mounted on traps. Said Monte Blumstein, executive director of the Canadian branch of the World Wildlife Fund: "The passage birds learn to trust in the wild and they are preferred to birds raised in captivity."

Canadian wildlife authorities consider the gyrfalcon to be at risk. But Blumstein and there is not yet enough information available for the Committee on the Status of Endangered Wildlife in Canada to put them on the endangered list. And poaching definitely represents a serious threat to the continued existence of the peregrine falcon, which is one of the 21 species of animals and plants on the committee's list.

The peregrine falcon was almost made extinct in the 1950s because DDT, a breakdown product of the pesticide DDT, had interfered with fertility and the calcium content of the eggshells, leaving them too soft. Since Ontario restricted DDT in 1969, strenuous efforts at conservation, including raising peregrines in the upper stories of the Montreal stock exchange building and the Canada Life building in Toronto, have increased their numbers. But Blumstein said that the birds are still picking up dangerous poisons on their migrations to South America, and wildlife conservation officials expected that the arrests would deal a serious blow to smuggling efforts, they were not overly confident that other potential poachers would not try to take advantage of the demand for falcons in the Middle East. One said: "There is too much money to be made."

## IMMIGRATION

# A painful wait to adopt

By Shaun McKay

**T**he compound of corrugated-tin dwellings 10 km from San Salvador is a crowded home for about 1,000 refugees, more than 700 of them

for the children to arrive before the beginning of the new school year. But Canada's record so far does not inspire her confidence. Added Rangelon: "I never before have I seen a government, at least a program as badly as the Canadian



Salvadoran refugee camp. Unsettled would-be parents

government feeds the inhabitants of Santa Tecla camp and provides them with a relatively safe haven from the civil war. But living conditions there are not much better than in the better-served areas from which the young refugees fled. Illness and malnutrition are widespread. And emotional wounds are evident as wary-eyed 10-year-olds tell of porters manhandling their families, of faces spent wandering in search of food, of being thrown into prison by soldiers. Such experiences, which are common among the estimated 100,000 displaced children in refugee camps and orphanages throughout the Central American states, prompted the Canadian government to initiate an orphan adoption program with El Salvador last year. But two countries are still negotiating a draft agreement, and, although approximately 100 sets of Canadian adoptive parents have been waiting for almost a year, none of the Salvadoran children has entered the country.

The main reason for the delay is the complexity of international adoption procedures that in the case of the Salvadoran children, many Canadian parents-in-waiting, as the adoption agencies, say that the Canadian government's negotiating tactics have also contributed to the problem. In Toronto, Sandra Rangelon, an expert in the field of international adoption who has been acting as an unpaid agent for the federal government, said last week that she hopes the two governments will sign the agreement in time

for the children to arrive before the beginning of the new school year. But Canada's record so far does not inspire her confidence. Added Rangelon: "I never before have I seen a government, at least a program as badly as the Canadian

government's part that we can no longer be to talk to or [these] children about their new brother or sister." And the delays are particularly worrying for Ocasio and Ocasio-Walsh of London, Ont., the parents of four adopted children. One of them, an 11-year-old Karen girl, Julia, because it was the adoption process was under way. When she finally arrived in Canada a year later, she was profoundly deaf. Another child died before government paperwork was completed in Bangladesh, said Ocasio. "I can appreciate the difficulties being faced by the Canadian government. But the fact is that the lives of these kids are at stake."

Still, external affairs officials insist that the program is moving up priority. Said Marian Stone, director of the ministry's Caribbean and Central American programs: "This is an unusual program that involves many government departments, but the Canadian government has been over backward to push it through quickly. I am proud of what we have achieved so far. It is a very unique prospective parents who have already started one year's Christmas presents and packed winter clothes away. It seems bureaucratic has triumphed over humanitarianism. With Paul Elman and Christopher Winter in San Salvador

raised more than 1,000 international adoptions over the past 15 years, to oversee the transfer of the first 100 children last August Rangelon went to El Salvador and returned with a tentative adoption agreement. Meanwhile, she was listing up dozens of prospective adoptive parents across Canada.

But the program suffered a major setback when Assembly moved from immigration to the transport ministry last August. Since then, external affairs, immigration and external affairs have continued the draft bilateral agreement as a "memorandum of understanding"—a less legally binding document—and made such minor amendments as changing the word "article" to "paragraph" and "country" to "child." As a result, the document went back to El Salvador twice for reconsideration. But the Salvadoran children could not leave Canada without approval from the provinces where they were to live, and the immigration department sent letters to the 16 provinces in May, asking their agreement. By last week only Prince Edward Island and Newfoundland had given their unconditional approval. But Rangelon still expects that the others will soon follow.

Across the country frustration has been growing among the anxious parents-in-waiting. In Edmonton, Maria Rangelon, who, with her husband, Frank, has been awaiting a Salvadoran child since last summer, said, "There have been just so many delays in the Canadian government's part that we can no longer be to talk to or [these] children about their new brother or sister." And the delays are particularly worrying for Ocasio and Ocasio-Walsh of London, Ont., the parents of four adopted children. One of them, an 11-year-old Karen girl, Julia, because it was the adoption process was under way. When she finally arrived in Canada a year later, she was profoundly deaf. Another child died before government paperwork was completed in Bangladesh, said Ocasio. "I can appreciate the difficulties being faced by the Canadian government. But the fact is that the lives of these kids are at stake."

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## The British untouchables

**H**ispanic and bourgeois-class blason around the £350,000, two-story, whitewashed residence clinging to a hillside in southern Spain. The lush green lawn around the swimming pool provides a magnificent view of the warm Mediterranean, lapping the beaches of the Costa del Sol—Spain's glamorous "sun coast." The house's owner, Ronald Knight, a Englishman (now the rough-and-ready Sir) of London, dresses casually but otherwise he does little to attract his neighbors' attention. Knight, the estranged husband of British actress Barbara Windsor, of *Curly Hair* fame, lives quietly but last week he abruptly found himself under a police and media spotlight, accused of taking part in Britain's so-called "robbery of the century." And, once again, the Costa del Sol was living up to its nickname of the "Costa del Crooks."

A confidential Scotland Yard report, obtained by the Spanish weekly magazine *Tiempo*, said that Knight and four other Britishers living on the coast, Frederick Foreman, Clifford Stone, John Ma-

nan and John Everett, had been responsible for two robberies with a total take of £30 million (\$64 million Cdn.) Fourteen men took part in the first theft at the Security Express office in London on April 4, 1985. They swapped with about £7 million (\$12 million Cdn.) in used bank notes. Then, in Britain's biggest-ever robbery, last Nov. 26, thieves grabbed three tons of gold bars worth £25 million (\$40 million Cdn.) from the Brink's Mat Ltd.—a security firm—storing room near London's Heathrow Airport. According to local police, Scotland Yard sent two detectives to Spain to monitor the activities of the five suspects. They discovered that the group had invested more than £500,000 (\$875,000 Cdn.) in property. But the police could not act against the five men because they had not committed a crime in Spain—and there is no extradition treaty between Spain and Britain.

Scotland Yard was already frustrated by its inability to move against the suspects in Spain, but The Sunday Times reported that its officers were furious over the systematic release of their con-

fidential report. It included a letter that J. Wood, principal assistant director of public prosecutions, had written on Feb. 16 asking authorization to search a villa, an apartment and a money deposit box in Spain. Although Spanish police denied responsibility for the report's becoming public, the file apparently went astray on its way from the local office in Madrid to an investigative branch of the Spanish police.

Knight and his cohorts are among dozens of Britons who have taken advantage of the absence of an extradition treaty to enjoy illegally obtained wealth on the sunny Mediterranean coast. But last week Conservative MP Terence Dixon argued in the British Commons that the 10-nation European Community should refuse Spain's entry—which is now scheduled to take place by next September (April)—until new extradition treaties are established. Spain renounced the treaty of extradition with the U.K. in 1978 because Spanish officials concluded that Britain's requirements were too strict.

Many well-known underworld figures, including James Jeffrey, Michael Reddy and Neil Robertson, alleged gold smugglers, boast openly about their exploits, but most of them sensibly avoid antagonizing the Spanish authorities. Said Lorenzo Maza Cones, the chief of police in the Costa del Sol city of Málaga: "We know who these men are and have kept a check on them, but as they have not committed any crime in Spanish soil, we cannot take any action against them." Late last year Spanish police did arrest another five Britons with suspicious backgrounds when London Governor Winston Stanley learned that they had kidnapped him in Ankara and forced him to sign away his property. Rumors quickly circulated about the cost that the "property" was money accumulated as a gold-smuggling racket, but the accused men were soon set free. They celebrated with a champagne party at La Copa (The Grapevine), a known gathering place for British fugitives in the south coast town of Fuengirola. Then, Spanish authorities returned their passports, although charges are still outstanding.

Last week Knight said that he intends to remain in Spain. Accompanied by his girlfriend, he told British reporters that in 1980 a British court had cleared him of charges of murdering an Italian, Alfredo Bonaventura, who was suspected of killing Knight's brother, David. Said Knight: "Ever since I got off the murder charge, the police have been out to get me. Why should I go back to Britain and spend more time inside before being proved innocent?" Then he and his companion returned to the good life and the influence and the bourgeois lifestyle. —DAVID BORDO in Spain

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# Lofty corporate deeds

**L**iane Kotitsky, a 50-year-old teacher and recreational therapist, learned from her duties in New York City last fall that they would no longer be able to treat her rare leukemia. So her cousin's physician, suggested that she receive more specialized and regular attention at the M.D.

Anderson Hospital in Houston. Because she wanted to conserve money for the expensive cancer treatments, she looked for the most economical way to fly to and from Texas. Then Kotitsky read about a volunteer organization called the Corporate Angels Network (CAN), which matches spare seats in private

company aircraft with cancer patients who need to travel for treatment. She called CAN headquarters in White Plains, N.Y., and last November was able to return from Houston free on a United Express Corp. jet. Since then she has flown 21 times, at no cost, corporate jets. Said Kotitsky: "I cannot find words to express how fantastic the corporations have been to me."

Kotitsky is one of about 475 patients who have benefited from the service that CAN launched 2½ years ago. CAN now has access to 600 corporate jets, which have flown more than 690,000 miles to deliver cancer patients to hospitals for surgery and treatment. The companies, including corporate giants AMT, American Express and General Foods, provide the service on a space-available basis on flights that normally shuttle executives to and from corporate headquarters. Now CAN is trying to extend its reach into Canada using the jets of roughly 50 U.S. corporations that fly into Vancouver, Calgary, Edmonton, Regina, Saskatoon, Toronto, Ottawa, Montreal and Quebec City. Said CAN co-founder Priscilla Blum, a White Plains-based freelance writer who underwent a mastectomy in 1989: "We hope to help either Canadians going to the United States for treatment or those in treatment down here who want to return home." Noted Jay Weisberg, owner of an air-sea rental franchise in Mt. Vernon, N.Y., and a CAN founder: "Cancer does not decide to stop at borders."

To qualify, patients must be independently mobile, fit to fly, and have a doctor's certificate verifying their need for special treatment. Then, CAN issues corporate plane schedules by computer for an appropriate flight. But because of demand—CAN receives about 90 requests a month for about 30 available seats—and the often-rigid pattern of corporate aviation, the network cannot guarantee any applicant a flight. It even encourages patients for whom it books a flight to make alternative travel plans in case the free flight is cancelled. Still, where possible, the corporate flights help fragile cancer patients avoid the stress of crowded airports, as well as enabling them to devote their own to cancer treatments, which U.S. medical insurance plans rarely cover. Said Weisberg: "We always felt that if a patient could get to the best cancer center for treatment, they would the best chance."

CAN hopes to extend the aid of more corporations in an effort to make to more cancer patients. But its origins are pleased with the co-operation they have received so far. Said Blum: "The most important advantage is that it tells the cancer patient that somebody really does care."

—YIP CALLAHAN in New York

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## Witness of the underworld

EGAN ARBUS

By Patricia Bosworth  
(Random House, \$66 pages, \$21.95)

Photographer Diane Arbus told a group of students in 1978, a year before she committed suicide at the age of 40, "I was born way up the ladder of middle-class respectability and I have been clambering down as fast as I could ever since." The pumprit, protected daughter of a wealthy New

York Jewish family, Arbus spent much of her adult life in flight from her home-city upbringing. The journey took where few photographers had dared to venture, into an underworld of brothels, bungee parks, circus sideshows and morgues. Her piercing portraits of the outcasts and freaks, when she called "maternal" and "maternal," won her public notoriety and critical acclaim as America's leading female photographer. Hidden behind her ever-present camera,

Arbus gave her interviews and disliked being photographed. Now, a richly documented biography subjects her troubled, at times sordid life to intensive scrutiny. Her image is not always in focus in Patricia Bosworth's dense, revealing account, but it is never less than fascinating.

In tracking her elusive quarry, Bosworth did not have the co-operation of key figures, including Arbus's former husband, Allan, and daughters, Amy and Don. But Diane's sister brother, Howard Nanoroff, proved a willing guide, as did her mother, Gertrude, sister Renée Spierka and a chattering chorus of cousins, friends, lovers and family biographers. Indeed, they are so engaging that they sometimes push the subject into the background. In long digressions, Bosworth displays a novelist's feeling for the pulse of the life of the city that the photographer experienced from so many vantage points.

As a child, Arbus saw the world chiefly through the thick curtains of luxury apartments. Cut off from her remote, beautiful mother and the flamboyant father who ran a glamorous Fifth Avenue department store, the sensitive, pampered Diane subsequently rebelled. At age 18, she married Allan Arbus and they became a top photography team in the 1950s. But they despised the world of fashion and gravitated to the after-hours ferment of Greenwich Village. Like many creative women of her era, Arbus was deeply insecure about her talent and placed Allan's career before her own. A painful separation in the summer of 1959 and a subsequent divorce left her emotionally educated, but also spared her artistic growth.

Armed with the advice of her teacher Laerte Kroll to seek a subject matter that "lets you in to get at the stomach," Arbus began to stalk the bizarre fringe of society in order to produce her stark, confrontational studies in identity and alienation. By the end of the decade Arbus's stature as a major artist was confirmed. But recognition did not bolster her. Toward the end, the gentle, well-loved figure became more hostile, demanding and vulnerable to the dark depression that finally claimed her.

Despite its result of detail, *Diane Arbus* does not penetrate the source of Arbus's despair. The book is like one of the large, glittering New York parties at which she would sit about with her camera, snapping furiously, abrupt the outsider. The book is less the biographer's than it is of a personality who avowed self-revelation. Had her friend, film-maker Brian De Palma ("I don't think anyone will ever be able to totally capture her—she seemed so enigmatic") in the end, however, it is that very mystery that made Diane Arbus so alluring.

—GILLIAN MACVAY



Josephine and Ott, an intimate, moving portrait of the artist as an older man

## FILMS

### Scenes from a lifetime

AFTER THE REHEARSAL  
Directed by Ingmar Bergman

Ingmar Bergman is the most powerful of directors, and his tormented, incisive films mirror their creator's private agonies. At the same time his compelling characters have embodied intimate erotic bonds that have won Bergman and his actors for three decades, in only one of the film's many diverting aspects. At times, Bergman's inner thoughts flash out the dialogue, and on several occasions the characters suddenly agree to act, transforming *Rehearsal* into a moving portrait of the artist as an older man still struggling to keep his head above the continually merging streams of life and art.

Originally produced for Swedish television, *After the Rehearsal* is naturally a film about theatre. On a bare stage Henrik (Bertil Guustafson) waits about August Strindberg's *A Dream Play*, which he is directing for the fifth time. Anna (Lisa Olsson), the ambitious young female lead, enters, and they talk frankly about her role and their mutual feelings of respect and desire. Then Rikke (Christa Thellberg), formerly a star and Henrik's lover who has become an alcoholic, breaks in and bewails him for giving her only a small part. In an agonized, vulnerable performance, Thellberg leaves Rikke's willful body and dark, seductive smile youthful and dark, androgynous and ageing. Here, Henrik and Anna playfully enter in words a scenario of the

affair that both realize will never come to pass.

Beyond its apparent simplicity, *Rehearsal* explores many levels of human experience. The ambiguous details of the trio's offstage lives suggest that Rikke and Henrik may be Anna's parents that hour of music, reflecting the intimate erotic bonds that have won Bergman and his actors for three decades, in only one of the film's many diverting aspects. At times, Bergman's inner thoughts flash out the dialogue, and on several occasions the characters suddenly agree to act, transforming *Rehearsal* into a dream film. In Strindberg's play the only true reality is the hallucinatory mental landscape of the dreamer. In *Rehearsal* that dreamer is Bergman himself.

Above all, the film is a generous tribute to Bergman's company. "I love the scene," murmurs Henrik, and they all leave the studio, the empty stage to which Bergman constantly returns to rehearse the mystical art of creating something out of nothing. But *Rehearsal*'s union of theatre and film is flawed for audiences who do not understand Swedish. That almost exclusively in tight close-ups, the actors' faces become illuminated monographs, but Bergman's rich, dense text demands to be heard, and the English subtitles are frustratingly inadequate. It is ironic that with a personal statement from the master of two arts, *Rehearsal* and film, so vividly illustrate their limitations—and their glory. —MARK CRAWFORD

## THEATRE

### A tragedy of private lives

THE WHITKIE

By Neil Coward  
Directed by David Henshel

Neil Coward's mannered comedies have become popular presentations at both the Stratford and Shakespeare Festivals. One The Whitties, however, is a bitter, probing analysis of his usual breezy sophistication, and the Stratford Festival deserves congratulations for introducing the playwright's darker side to its audience. First seen just prior to the low-budget film series at the festival in Niagara-on-the-Lake, Ont., the production overcomes one major flaw to present a fascinating portrait of individual and social failings in 1800s England.

The first act of *The Whitties* is vintage Coward, bunting with witty one-liners and cries of "Too thinking!" and "How droll!" Holding forth in her drawing room in Florence (Florence Hyland), a war, detached couple who is rebuffed with Tom (Peter Krastel), her latest young lover. Suddenly, her hypersensitive painter son, Nicky (Gerrard Wyn Davies), bursts in to announce his engagement to Betsy (Susan Sturges), a sharp-eyed realist, suffering a momentary lapse into behaviorism. The two women hate each other on sight, an awkward party at Florence's country house ends in a bloodbath when Betsy and one whom she calls "my dear type" and fall into each other's arms. In a brutal final scene Nicky and Florence struggle in their "corridor of boundaries" to recapture the loving tidbits between mother and son which they have tossed to the breaking point.

David Henshel has directed his cast with grace and precision, but Hyland is misused as Florence, a genteel character to begin with because Coward had little sympathy for her. To make Florence's last breakdown before Nicky's birth approach dramatically effective, she has to appear initially to be forceful and embracing. Hyland's small stature and vulnerable manner undermine these notions, and the muted appearance pale throughout. Still, she eventually counters Florence's hidden strengths and triumphantly matches Wyn Davies blow for blow. As a casual, cynical play by Coward, *The Whitties* does something that he could not assume the music of both comedy and tragedy.

—MIC

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Education of Bacchus: like devouring a whole box of chocolates

ART

## The sweet art of excess

By Shana McKay

Across the museum's canvas my cherubs dance behind frolic-playing satyrs. Dark gods, in descending degrees of drunkenness, join in the general bacchanal. Only the nymphs, lithe figures with decorously placed drapery, add a languor to the fray. A life-size extravaganza of human forms, *The Education of Bacchus* (1884) was French artist William Bouguereau's self-proclaimed masterpiece. And, indeed, the opulent work is an appropriate focal point to the lavish and controversial retrospective exhibition of his painting now on display at the Montreal Museum of Fine Arts (MMA). Like the other 140 pieces Bacchus represents the height of 19th-century French academic painting: grand in intent, pleasing to the eye, skillfully executed but, ultimately, sterile. William Bouguereau, while undeniably a crowd pleaser, is also proving to be one of the most controversial re-evaluations of a forgotten artist in years.

Like other recent exhibits, William Bouguereau is part of a major trend toward re-examining the traditional artists of the 19th century, including Jean-François Millet and Pierre-Paul de Chardin. Ever since French co-ordinator Louise d'Amanceau, now under contract to the MMA, first unveiled the show in Paris last February, it has

aroused critical debate on two continents. The Paris newspaper *Le Monde* described the work as "frankly disgusting, dirty, foul, repugnant, contemptible, atrocious and nauseating." But the prestigious British art publication *The Burlington Magazine* declared that the retrospective was a "coup." And North American critics have been equally inconsistent in judging an artist whose history had entangled in relative obscurity before he died in 1905.

While he lived to see his popularity wane, Bouguereau was for many years one of the most sought-after artists of his age. A professor at the *École des Beaux-Arts* and a leading exhibitor at the Salon, the annual academic art exhibition at the Louvre, he openly acknowl-

edged painting "to please the public." At a time when Mallarmé, Cézanne and Manet were exploring the frontiers of art, Bouguereau was enjoying financial success by returning to the classical and picturesque past, both for subject matter and technique. American millionaire collectors, in particular, eagerly bought his paintings of innocent peasant girls, Greek goddesses and troped madonnas.

But his fame was relatively short-lived. As the Montreal exhibition proves, changing times and tastes deservedly shunted Bouguereau into the backwaters. Taken as a whole, his sentimental art leaves the viewer with the uncomfortable feeling of having devoured a whole box of chocolates. In *Adoration* (1891) five young women with hectic expressions gaze upon a virginal child. Intended as an allegory of devotion, the work is instead an arid depiction of gay sexuality. The child figure, in both expression and pose, is level Bouguereau's devotion to artifice is also evident in *A Soul Brought to Heaven*. Death has broken a fairy tale, as two angels transport a bare-breasted young woman through the clouds. To underline the bathos, one petal cascades earthward from her arm.

The work has gallantly proclaimed William Bouguereau to be "the art sensation of the century." But d'Amanceau herself has more accurately described the show as "an archeological study." She asked, "People should come to see Bouguereau the same way they would a dinosaur." In its entirety the retrospective establishes the artist as a master of his craft. But now he is there as an indicator of artistic precision or creativity. History did well to leave Bouguereau behind. ☐

### MACLEAN'S BEST-SELLER LIST

#### Fiction

- 1 *The Apocalypse Progression*, Coulson (5)
- 2 *The Day After* (5)
- 3 *Full Circle*, Steele (4)
- 4 *Bentley's Game*, Robert (3)
- 5 *Enoch*, Ford (3)
- 6 *The Walking Dead*, L'Houssier (3)
- 7 *The New Kid Williams*, Williams (3)
- 8 *The Leopard Hunts in Darkness*, Smith (3)
- 9 *The Wishes of Eastwick*, Uchida
- 10 *Pinkish*, Maclean (2)

#### Nonfiction

- 1 *Wingspread*, Jones (3)
- 2 *Sex and Destiny*, Goss (2)
- 3 *Eat to Win*, Mann (2)
- 4 *Work: The Short Life and Fast Times of John D. Rockefeller*, Woodward (2)
- 5 *In God's Name*, Hilkey
- 6 *Bluddy Victory*, Grosvenor and Norton (2)
- 7 *Overlook*, Hartigan (2)
- 8 *The March of Folly*, Paulsen (2)
- 9 *The Game*, Dryden (1)
- 10 *Home Sweet Home*, Richter (1)

(1) Fiction list only



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# When familiarity breeds consent

By Allan Fotheringham

There was a time, not long ago, when youth was allowed its own goody goody offences and attitudes. If the hipsters of the 1960s wanted to sport long hair and rainbow beads, the adults were properly appalled by the outrage of it all, shaking their heads and shaking their most heads in despair. Also, the parents of the world did not continue their sensible approach of superiority to all the vulgar designs displayed before them. Instead, they have tried to emulate the same crowd, dressing not like adults but like the children they despised. It is not a good thing. We do not approve.

The ultimate display of this secret desire to play Ponce de León in costume teams came on the United States Network when a half-million human beings watched Woodstock beneath the Washington Monument, across the street from the White House. It is considered sacrilegious, if not treasonous, for an American not to go on a picnic on the Fourth of July. When Washington decided to stage a 16-hour picnic on its 100th anniversary, we saw enough bare flesh to drive one indoors for the rest of the year. It seems a basic rule now applies: the more obese the spokesman, the more flesh must be exposed. Rousseau was trying to look like their teenage sons paraded in T-shirts that should have remained in junior high lockers better kept under a throw blanket on displaying their imperfections for all to see, menages to witless, ciphers of a generation that fears age. The reason Americans are larger than Canadians is that they eat more. This means that they look very healthy, as in California-healthy, and grow tall.

A half-million people, composed in a large part by adults who weren't there at Woodstock and regretted the Canadian, is not a pleasant thing to see when the whole thing is check to go, the beer mixing with the best bodies. It illustrates one factor of American life that differs from Canada's: they don't have much privacy and so ignore it. Any Ca-

nadian who travels a bit in the United States is struck by the obvious—there are 10 times as many bodies down there. Wherever you go there are people about. It's not so bad, overall, as Japan or Britain, those two claustrophobic islands of city dwellers, but a Canadian in the United States is suddenly aware of the space he enjoys at home.

Canadians always complain of how loudly Americans talk in restaurants, elevators, airplanes. The reason they do so is because they have given up trying to keep things to themselves; there is always somebody around, so they shout

Americans, however, like to get down and wallow in familiarity. They inserted the politician whose main attraction was his smile (Rushbow) and now some staid, rich, stuffy habit (Jimmy Carter and Ronnie Reagan, the president whose answer to almost everything is the see-shades grin of the second lead who didn't get the girl again). Walter Mondale's smile is the photographic equivalent of a limp hand-shake, one of those that make you feel unclean after uncleaning yourself.

It's why the coming election campaign will be a battle of civility. Sparkling Ryan against The Jew That Wrote Like a Man. We really haven't had such a struggle of equal personalities since Sir John A. was a pup who liked his cup. George Drew was a stiff product of the north-south, who delighted in French-Canadian jokes and always looked as if he were going to cut his throat on his stiff collar. Louis St. Laurent looked as if he would melt in his mouth. John Diefenbaker, all fire and brimstone, an evangelist who missed his calling, always made the neat and careful Lester Pearson appear the product of Ottawa, he was.

It was simply unfair billing when Trudeau of the trampoline went up against Bob Stanfield, the classic product of Nova Scotia, which Michael Jackson will never visit. The athlete Joe Clark stood no long-range chance against Trudeau even though he tried a serious counterstroke by wearing a yellow cardigan. It is why Old Athlete Turner will be filmed on the tennis court, in contrast with Mulroney, whose only serious exercise is lifting a telephone with each hand.

So what we're headed into is a struggle for the flesh of the nation. Unless they hide in the next election, there is a good chance that three-quarters of the population of the country will be personally managed by either Brian Turner or John Mulroney. We have got two incipient L.R.J.s emerging, the only guarantee being that neither will show his gaffles clear or pick up gaps by the ears. Other than that, if you value your puns, keep them in your pockets or your purse. They're in danger.



their secrets to the world. Canadians—reticent, self-spoken—insist on a certain "body space" envelope; there, a safe limit of our separating them from their compatriot Europeans, if you'll notice. Like to move to within about six inches when carrying on a conversation, forcing the proper Canuck to have a continual list backward, as if the conversation were nothing more than a list of names. Brian Mulroney and John Turner are the most "American" politicians we have had in a long time, forcing the rash from pressing the flesh. Turner, the self-proclaimed "candle" man, likes to grab and squeeze people. Like Lyndon Johnson, who didn't so much shake hands as embrace his supporters (L.R.J. once explained his philosophy to an aide by announcing that "if you get the veils by the balls, their minds will follow"). Pierre Trudeau always maintained his cordance with his confidential cattle prod, and Mulroney King kept his distance even when talking to his dog.

Allan Fotheringham is a columnist for Southern News.

"I've got my fingers crossed."



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